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NEWS SUMMARY

GENERAL: Holiday travel delay threat. BUSINESS: Sterling up 2.25c; Gold falls \$9.

STERLING fluctuated sharply but recovered some of its losses, rising 2.25 cents to close at \$2.2705.

DOLLAR was weaker, finishing at DM 1.8285 (DM 1.8335). Its trade-weighted index slipped to 84.4 from 84.6.

GOLD fell sharply in heavy speculative trading in London, closing \$2.99 down at \$2.97.

EQUITIES: The FT-30 share index closed 2.5 up at 455.3. Leading shares initially eased, made gains in early afternoon trading.

WALL STREET: Before the close was 1.09 down at 848.32.

NATIONAL UNION of Seamen instructed a supply boat to return to port, saying it was not to be used for the offshore fishing workers' strike.

BRITAIN'S merchant fleet continued to decline last year despite improved freight rates and new ships laid up.

JAPANESE cars led by Toyota are taking an increasing share of the competitive German market.

INLAND REVENUE consultation document says that a wide range of business costs should become tax allowable.

ALITALIA, the Italian state airline, declined to comment on reports that it was negotiating the purchase of five Boeing 747s.

UK steelmakers have proposed to the Government over the alleged dumping of large quantities of stainless steel from Brazil on the British market.

EAGLE STAR, the insurance group, is having new bid talks with Bernard Sunley Investment Trust, the property company in which it has a 35 per cent stake.

SHREK Transport and Trading shareholders are to receive the entire dividend of 25,000 shares which had been deferred by statutory controls.

WARING AND GILLOW (Holdings) achieved a record profit which was 40 per cent up at pre-tax level to £5.03m for the year to March 31.

DIXONS, photographic, camera, television and pharmaceutical retail stores group, raised taxable profits 12.5 per cent in the year to April 28.

VOSEPER, the British shipbuilder, reports a fall in first half profits from £18,608 to £795,981.

Chief price changes yesterday (Prices in pence unless otherwise indicated).

Table with 2 columns: Item and Price. Includes RISES (Unilever, Weyell, Oil Exploration, etc.) and FALLS (Grindlays Bank, Guinness, etc.).

Clegg pay awards may cause more public spending cuts

BY ALAN PIKE, LABOUR CORRESPONDENT

The Government yesterday undertook to implement the Clegg comparability commission recommendations on public services manual workers pay, but said it would be necessary to consider public expenditure cuts to offset the cost.

The awards, which will give 1.4m public service workers a 2.2 per cent increase, led to local authority leaders expressing concern about the financial implications of the proposals at a time when the Government was demanding restraint.

Prof. Hugh Clegg, chairman of the Standing Commission on Pay, Comparability, presented his proposals only a day after the Government had instructed local authorities to reduce the Labour Government's spending limits by 5 per cent in real terms next year.

Mr. Ian Coult, chairman of the Association of County Councils' local government finance committee, said last night that the proposals would mean a further reduction in council staff and might lead to some authorities going to the private sector to provide services on a contract basis.

Mr. Ian McCallum, chairman of the Association of District Councils, said that the recommendations had "significant financial implications" and local authorities needed to know what proportion of the awards would be paid by the Government.

Key union leaders who were disappointed that Prof. Clegg's proposals would do comparatively little for their lowest paid members stressed that they would resist attempts to finance the awards through job cuts.

"We shall oppose any attempts by the Government to penalise workers for the recommendations of this report," said Mr. Mick Martin, public services national secretary of the Transport and General Workers Union.

"The Government would be well advised to avoid further trouble this winter by not trying to force redundancies in the public services to pay for these awards."

The commission was set up after last winter's strikes in the public services and yesterday's recommendations come on top of 9 per cent awards achieved then.

The commission says the gross earnings cost of its proposals, including £1 per week on account payments the public service workers have been receiving since the dispute, will be £236.5m (10.9 per cent) for local authorities, £70.8m (10 per cent) in the health service, and £18.6m (23 per cent) in the ambulance service.

Higher-paid manual workers would benefit most from the proposals because, as Prof. Clegg said, "yesterday's evidence indicated that pay differentials in the public services had been squeezed more tightly than elsewhere in the economy."

This means that many of the 1.4m employees covered by yesterday's reports will receive awards at the lower end of the scale.

For example, although some health workers will receive up to 16.9 per cent, 75 per cent of them - mostly part-time - are in grades which will receive only 3.8-6.5 per cent.

Similarly, 52 per cent of all the 1.1m local authority manual workers are in grades which will receive 3.5-4.9 per cent. About 80 per cent of these are part-time workers, and the higher awards will go to employees like head cooks and other specialist workers.

In spite of their regret that the proposals do not meet their aspirations on low pay, union leaders see the report as a vindication of last winter's industrial action.

Mr. Alan Fisher, general secretary of the National Union of Public Employees, said that while the recommendations did not take the unions to the £80 minimum rate, they gave - along with the increases already received - an average of 20 per cent.

If the last Government had offered our members increases of 20 per cent at the beginning of the year the strikes could well have been avoided and we might still have a Labour Government in power."

Details, Page 7 Editorial comment, Page 18

Table with 2 columns: Item and Price. Includes American News, European Options, Share Information, etc.

Chrysler presses for \$1bn tax relief

By John Wyles in New York

CHRYSLER CORPORATION is pressing the Carter Administration for \$1bn in special tax relief for the next 18 months to prevent a drastic reduction in the company's activities or even its collapse.

Following a record \$207.1m second quarter loss, Chrysler's two top executives, Mr. John J. Riccardo, chairman, and Mr. Lee Iacocca, president, said the company was counting on Government help and had no alternative solution to Chrysler's desperate financial plight.

There are two dimensions to Chrysler's crisis, which poses a problem for the Carter Administration since the only recent precedent for Government aid for an ailing company is the \$350m loan guarantees provided for Lockheed Corporation in 1971.

Chrysler is suffering a severe slump in demand for its cars and trucks and is being forced to finance an inventory of 80,000 units or 95 selling days' supply worth \$700m.

The revenue shortfall allowed to costs of financing this inventory is straining credit lines so that \$550m out of \$750m have already been used.

As a result, the company is struggling to find the \$1bn it needs for engineering, and research and development.

Chrysler says half its capital expenditure needs for 1979/80, \$1bn, is spending forced upon it to meet Government mandated, fuel economy, emissions and safety regulations.

The U.S. Treasury, which says it is concerned about Chrysler and its 250,000 employees, has promised to expedite its examination of the company and its requests. Chrysler is also asking to delay for two years implementing 1980 and 1981 fuel emission standards to save between \$100m and \$300m.

Chrysler Financial Corporation, the subsidiary which supplies wholesale finance for the company's dealers and retail finance for its customers, may face a crisis because Moody's Investors Service has removed its rating of prime 3 on the company's commercial paper.

The Financial Times learned yesterday that most of the \$1.1bn of paper outstanding is of seven-day maturity and Chrysler Financial fears at last \$400m will have to be paid off.

Chrysler Financial, which normally sells between \$200m and \$300m of its paper every day, looks almost certain to be forced to draw down on its \$1.6bn of bank credit and meet substantially higher financing costs on whatever paper it can sell.

The prospects for inflation and higher oil prices could cause a shock to manufacturing industry and could cause liquidity problems. In addition, Lord Roll said, the Bank felt that the likely decline in profitability could depress investment and so cause more lasting damage.

Continued on Back Page

Carrington protests at BP takeover

BY DAVID PALMER AND MARTIN DICKSON IN LUSAKA

BRITAIN yesterday delivered a strong and public protest to the Nigerian Government over the nationalisation of British Petroleum's assets.

In front of some 500 delegates and journalists at the Commonwealth Conference in Lusaka, Lord Carrington, Foreign Secretary, took Major-General Adekunle Fajana, Nigeria's Commissioner for External Affairs, to one side and protested at the Nigerian action in the most vigorous terms.

Later, Lord Carrington said: "I can think of nothing more counter-productive and nothing less likely to succeed than an attempt of this kind to move the Government's policy on Southern Africa."

"This will have a very serious effect on Anglo-Nigerian relations."

The Lagos Government's action cast a shadow over the opening day of the Commonwealth heads of Government meeting here.

In a restrained speech which was generally well received, Mrs. Margaret Thatcher made it clear that she had come to Lusaka to listen to the views of other delegations on the Rhodesian question.

The Prime Minister declared her aim was to "bring Rhodesia to legal independence on a basis which the Commonwealth and the international community as a whole will find acceptable, and which offers the prospect of peace for the people of Rhodesia and her neighbours."

Last week in the Commons, Mrs. Thatcher merely spoke of bringing Rhodesia to independence with the widest possible international acceptance.

"I shall listen with the greatest attention to what is said at this meeting," Mrs. Thatcher added.

Her speech followed a strong restatement by President Kaunda of Zambia, chairman of the conference, of his Government's view of the problem.

5 in New York

Spot 58.2400, 58.20, 58.20, 58.20 1 month 0.75-0.70, 0.82, 0.73, 0.75 3 months 1.80-1.85, 1.82, 1.83, 1.84 6 months 3.50-3.55, 3.54, 3.50, 3.51

GOOD NEWS FROM GATEWAY. NEW! from August 1st. 5 YEAR TERM BOND. 10.75% = 15.36% net.

Table with 5 columns: Amount Invested, 2 year term, 3 year term, 4 year term, 5 year term. Includes Gateway Bonds details.

Table with 5 columns: Amount Invested, 2 year term, 3 year term, 4 year term, 5 year term. Includes Monthly Income Bonds details.

NEW! Investment Interest Rates. The Society's interest rates will be increased by 0.75% on all investment accounts from 1st August 1979 (S.A.Y.E. excluded).

Dutch relax rules on foreign borrowing

BY DAVID MARSH

IN A move to encourage capital imports and help reduce the balance of payments deficit, the Netherlands has decided on a further relaxation on restrictions on foreign borrowing by Dutch companies.

The Dutch central bank from now on will allow companies to raise funds abroad with a minimum maturity of seven years, compared with the previous limit of 10 years.

It will also allow companies borrowing 10-year money to alter the interest rate after five years, whereas previously the rate had to be fixed for the whole life of the loan.

The new regulations apply to borrowings both in foreign currencies and guilders, whose proceeds are spent in Holland.

The change if it leads to a sharp of external borrowing, could eventually help the guilder on foreign exchange

markets, where it has been weakened lately against the Deutsche Mark within the European Monetary System. But the central bank stresses that this is not the primary aim of the new rules.

The central bank decided on an initial relaxation of foreign borrowing rules last December. This was in response to the country's lurch last year into deficit on its current account balance of payments, as well as the risk

ing public sector borrowing requirement. But according to officials at the central bank, companies have shown marked reluctance to take up loans at the minimum maturity of 10 years.

The latest relaxation is meant to be only a cautious move towards loosening capital controls, as the central bank does not want companies to side-step the present strict limits on domestic credit.

UK farm imports facing EEC tax

By Margaret Van Hattem in Brussels

BRITAIN faces the prospect of a European Community tax on farm imports from other EEC countries, should the pound continue to rise.

This follows the EEC Commission's announcement here yesterday that it will not pay monetary compensation amounts (MCAs) on Britain's farm trade next week. This follows the rise of the pound to parity with the so-called "green pound", the artificial exchange rate used to convert EEC common farm prices into sterling.

The MCAs were required in the past to offset the gap between Britain's overvalued "green" rate and its foreign exchange rate, following the slide in the value of sterling after 1975. This gap was as wide as 40 per cent two years ago, and 28 per cent last January.

The narrowing of the gap since the start of this year has substantially helped by two 5 per cent devaluations of the green pound—one in March under the Labour Government, one under the Conservatives during the annual farm-price fixing in June.

But the biggest impetus has come from the appreciation of sterling, particularly since the British budget on June 12. Should the pound slide back, as it showed signs of doing earlier this week, the MCAs may have to be reintroduced the week after next in their old form, that is, as subsidies on imports into Britain and levies on UK farm exports.

If, however, the pound continues to climb, Britain faces the prospect of a positive MCA, meaning a levy on its imports and subsidies on its exports. Since Britain imports far more food than it exports, this could prove a substantial drain on UK resources.

The elimination of MCAs could help the British Government in its fight to cut its net contribution to the EEC budget, in that it removes a major source of controversy between the UK and its EEC partners.

Britain has always held that the MCAs benefit mainly the exporting countries, while others, such as France and West Germany, argued that they were direct subsidies to the British consumer.

However, the redistribution of MCAs may narrow the gap between net contributors and net recipients, making it harder for Britain to press its case that, as a relatively poor country, it should not be the largest net contributor to the budget.

Since much of the cost of supporting high EEC farm prices will be borne directly by the UK consumer instead of coming out of the EEC budget, Britain's net contribution will be lower.

On the other hand, Danish exporters, for example, while receiving the same amount for their goods, will receive more of it from the British consumer and less from the EEC budget, making Denmark's budgetary position look, at least on paper, less favourable.

Warsaw crowd applauds call for independence

WARSAW — Some 4,000 demonstrators at the tomb of the Unknown Soldier in central Warsaw applauded on Tuesday night when a dissident speaker urged the nation to struggle for Poland's total independence and sovereignty.

Mr. Wojciech Ziemicki of the dissident movement for the defence of human and civil rights addressed the rally after the demonstrators marched from a solemn Mass at St. John's Roman Catholic cathedral to the tomb in Victory Square.

In an allusion to the Polish-Soviet war of 1920 Mr. Ziemicki said that "some years ago some dirty hands" removed from the tomb a plaque commemorating Polish soldiers killed in 1920. He demanded its return.

The ceremony marked the 35th anniversary of the abortive Warsaw rising against the German occupation.

This is reflected in opinion polls and last week's elections in Tasmania, which resulted in a substantial swing away from Mr. Fraser's Liberal Party.

Compounding a sense of drift in the Government is the recent publication of official statistics indicating that inflation—less than 8 per cent a year ago—is moving towards double figures. Economic recovery, confidently predicted at the beginning of the year, is now more in doubt.

Industrial disputes continue to disrupt the country. A strike by 2,500 mine workers in the Pilbara iron-ore region of Western Australia has entered its tenth week. The strikers meet tomorrow to discuss a return to work.

A national strike by dockworkers, caused by an inter-union dispute, has resulted in chaos on the waterfront. Strikes are continuing in the metal trades industry, disputes are simmering in the power industry in Victoria and

Botha dismisses Steyn from Namibia post

BY QUENTIN PEEL IN JOHANNESBURG

IN A shock move apparently designed to head off a white backlash in Namibia (South West Africa), Mr. P. W. Botha, the South African Prime Minister, yesterday sacked Judge Marthinus Steyn, his Administrator General in the territory.

Professor Gerrit Viljoen, Rector of the Rand Afrikaans University and chairman of the Afrikaaner Broederbond, the all-powerful secret society of the South African ruling elite, is to take over the post.

Them over came as a surprise in Windhoek, the Namibian



Judge Marthinus Steyn

capital, and to Western diplomats. A new effort to achieve an international settlement in the territory is about to be launched.

Although Judge Steyn's replacement was officially said to be at his own request, there is no doubt that his increasingly partisan and idiosyncratic behaviour had become an embarrassment to the South African Government.

He was regarded by all the opposition parties in the territory, and above all by the whites, as totally identified with the cause of the Democratic Turnhalle Alliance, the majority party in the South African-sponsored National Assembly.

The announcement, made by

the Prime Minister's office in Pretoria, said that Judge Steyn would return to the bench in the Orange Free State, and that Professor Viljoen would take over the job immediately.

It follows weeks of gathering anger in the conservative white community in Namibia, which came to a head when the DTA pushed legislation through the National Assembly which made racial discrimination an offence in places such as hotels and restaurants.

The National Party in the territory, sister of the ruling party in South Africa, has threatened to seek support among conservatives in South Africa, which could in turn seriously undermine Mr. Botha's position in his party which still needs consolidation.

The choice of Professor Viljoen to succeed Judge Steyn is a clear indication of the importance which Mr. Botha attaches to the finding of a solution in Namibia. After the Prime Minister himself, and Dr. Andries Treurnicht, leader of the National Party's Transvaal wing, the Broederbond chairman is probably the third most powerful political figure in the Afrikaanser community.

Nevertheless, his appointment may not signal any significant change of direction in Namibia, even if it does suggest a change in style.

The South African Government appears committed to its present course in the territory of backing the ethnically-based DTA as a potential government.

But Professor Viljoen's job will be to do his utmost to bring the unhappy whites back to the fold, without watering down DTA policy to such an extent that it might lose any credibility it may have among Namibian blacks and in the international community.

It will be a considerable challenge, even to a man of Professor Viljoen's undoubted skills. A classical scholar, he has been a powerful force in steering the Broederbond away from its original fundamentalist beliefs towards a more sophisticated policy.

He believes that some accommodation must be made in the system for urban blacks, but that the fundamental separation of the races in South Africa should remain.

Begin needs to restore Israeli Cabinet unity

BY DAVID LENNON IN TEL AVIV

MR. MENACHEM BEGIN, Israeli Prime Minister, leaves hospital tomorrow after two weeks' treatment to a small artery in the brain.

He will immediately be faced with the need to restore some semblance of unity in his Cabinet, whose Ministers are publicly squabbling over a number of domestic and foreign issues.

The Prime Minister will also have to seek ways to recoup his own and his Government's falling popularity, following failure of the Cabinet to agree on a policy to fight the country's appalling inflation.

A public opinion poll published in Ha'aretz yesterday, said the premier's popularity has dropped sharply in the past year. Only 43 per cent said they were satisfied with Mr. Begin as Prime Minister, against 60 per cent two days ago.

Two days ago, a poll in the same newspaper showed the opposition Labour Party with a

10 per cent lead over Mr. Begin's Likud bloc.

The Prime Minister will also have to stop the public fighting between his Ministers. Most recently, this involved disagreements over how to fight inflation, and the argument about UN troops in the Sinai buffer zones.

This latter issue has caused tension in Jerusalem's relations with Washington. Israel is also likely to face a tough battle with the Carter Administration over possible changes in the U.S. attitude to the Palestine Liberation Organisation.

Israel is adamantly against any concessions to the PLO, but appears to be losing a battle to persuade the Americans of the justice of the position.

Israel is worried by American hints that it will sponsor changes of additions to UN Security Council Resolution 342 with regard to the PLO. Officials in Jerusalem said Israel would not accept any such changes.

Australia strikes harming Fraser Government

BY ANDREW CLARK IN SYDNEY

THE FAILURE of Mr. Malcolm Fraser, Australia's Prime Minister, to promote a climate of conciliation in industrial relations is rebounding against his Government.

After two months of constant strikes marked by increasingly bitter exchanges between Ministers and union officials, Government supporters are openly worried by the drop in public support for the Administration.

This is reflected in opinion polls and last week's elections in Tasmania, which resulted in a substantial swing away from Mr. Fraser's Liberal Party.

Compounding a sense of drift in the Government is the recent publication of official statistics indicating that inflation—less than 8 per cent a year ago—is moving towards double figures. Economic recovery, confidently predicted at the beginning of the year, is now more in doubt.

Industrial disputes continue to disrupt the country. A strike by 2,500 mine workers in the Pilbara iron-ore region of Western Australia has entered its tenth week. The strikers meet tomorrow to discuss a return to work.

A national strike by dockworkers, caused by an inter-union dispute, has resulted in chaos on the waterfront. Strikes are continuing in the metal trades industry, disputes are simmering in the power industry in Victoria and

Queensland, and railway employees are planning a national stoppage.

The Pilbara strike has damaged Australia's crucial iron-ore exports, and the Broken Hill Company, which has a monopoly on local steel production, is blaming strikes for its inability to accept more overseas orders.

More than 200 small businesses in Sydney are said to have gone bankrupt in the past fortnight because of industrial disputes.

Relations between the Government and the union movement are tense, the most recent public contact between Mr. Fraser and Mr. Bob Hawke, president of the Australian Council of Trade Unions, deteriorated into angry exchanges.

The Prime Minister said shortly before flying to Tasmania that the industrial disruption was "tearing the country apart". Mr. Hawke claims the Government's policies are "ripping the country to shreds".

As the wave of strikes began to grow, Mr. Fraser adopted a tougher line towards the unions. The Government proclaimed legislation providing for suspension and dismissal of civil servants involved in industrial disputes.

An unprecedented series of mass meetings of civil servants in the main cities has resulted

THE COMMONWEALTH CONFERENCE



Brooding presence among the guests

THE BIGGEST surprise at the formal opening of the Commonwealth Conference in Lusaka's flag-decked Mulungushi Hall was the list of unexpected official guests. There, sitting 12 ft behind Mrs. Thatcher, was Joshua Nkomo, leader of the Zimbabwe African People's Union (ZAPU) wing of the Patriotic Front.

Mr. Robert Mugabe, leader of the Front's Zimbabwe African National Union (ZANU) wing, was not present, but ZANU was well represented by Mr. Mugabe's wife Sally, and by the party secretary-general, Mr. Edgar Tekere. Mrs. Thatcher did not seem aware of the large, brooding presence of Mr. Nkomo, who, ironically, was seated almost directly beneath a Union Jack. A rather nervous self-conscious air pervaded the hall. Everyone was all too well aware

of the possibility of major confrontation, and determined to be on their best behaviour.

True, Mrs. Thatcher made a veiled attack on Nigeria's nationalisation of BP, but it was so veiled that the Nigerian Foreign Minister did not seem to register it, since he joined in the applause when she sat down.

Lord Carrington's "strong representations" to Maj. Gen. Adegoke, Nigeria's Foreign Minister, over the BP nationalisation, were an extremely public affair. They took place at the traditional cocktail party given by Mr. Sonny Rampah, Commonwealth Secretary-General.

As soon as the Nigerian group arrived, in traditional national costumes of flowing robes and headwraps, Lord Carrington and two British officials marched over, and took to one side Gen. Adegoke, and his High Commissioner to Zambia.

For 10 minutes, Lord Carrington delivered himself of an "earful". He never once smiled. The tone and language of the conversation were written all over his face. So was Gen. Adegoke's reaction—it was impassive.

IMAGINE you are Mrs. Thatcher after a 10-hour flight from London filled with stories of the hostile reception you will receive on your arrival, on your first trip to Zambia. Imagine standing at the top of a gangway, staring out into the blinding lights of TV.

Imagine reaching the bottom of the steps to be enveloped in a surging, pushing crowd, all screaming and shouting, with only your own security men to protect you. Imagine then a 200-yard walk, conscious only of shouting voices all around.

That was the Prime Minister's arrival on Monday night. There was no visible airport security. Journalists and TV crews just walked onto the tarmac. Somehow, the small Zambian reception committee guided the Prime Minister and her husband into a hospitality suite, where Zambian journalists and TV were waiting. None of her officials got through. Nor did any British journalist or TV man.

But we are reliably informed that, following this national hijack, Mrs. T met all questions with a well-practised non-committal. In fairness, this was a rare lapse in Zambian security.

In the midst of the pomp and ceremony surrounding the conference, Lusaka residents are preoccupied by apples. For the first time, in many years, the fruit is available (imported from South Africa), though shortages of cooking oil, soap and bread continue.

Kapela Munsoda, the satirical columnist of the Times of Zambia this week offered readers his explanation. The ruling United National Independence Party (UNIP) has come up with an unusual way of marking the months: evelas. "In future, when people think of an apple they will remember that the last time they ate one, or the first time, is when we had the Commonwealth Conference" and the Queen's visit."

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Irish power cuts may continue

By Stewart Dalby in Dublin

THE EXTENSIVE power cuts which have affected Dublin in the past week could continue for the next few days, says the Electricity Supply Board, the State-run generating concern.

Obviously, the cause of the trouble has been a strike at Poolbeg, the Dublin generating station. The stoppage, which began on June 14, has just been settled.

The members of the Electrical Trades Union (ETU) have agreed to an immediate return to work, on condition a joint working party is set up to examine technological development.

The fact that Poolbeg has been out of commission for some weeks has made the ESB vulnerable to power cuts.

For example, a three-hour power cut on Tuesday was caused by temporary faults in the Tarbert plant in Co. Kerry and the Ringsend plant in Dublin.

The ESB has little spare capacity, so that if one power station defaults, for any reason, widespread power cuts can occur.

At present, Ireland's generating capacity is about 2,000 MW, with another 700 MW to come in stream by 1982-83. The Government believes that about 3,000 MW will be needed by 1985.

Ireland has no indigenous oil-supplies, and imports 75 per cent of its energy needs in the form of oil.

There has been a plan to build the country's first nuclear power plant, one of 850 MW at Jansore Point, near Wexford, 1985.

27 companies seek Norway oil licences

By Fay Gjester in Oslo

TWENTY-SEVEN oil companies have sought oil-exploration concessions in Norway's fifth licensing round, which covers 16 blocks north of the 62nd parallel. Yesterday was the deadline for applications.

The 26 blocks put on offer in June, include 24 just above the 71st parallel, off the coasts of Troms and Finnmark, and six off the coast of central Norway on the 65th parallel.

Until now, Norway has not allowed drilling north of the 62nd parallel, and the fifth-round blocks are the first to be offered so far north. Earlier this year, the Storting (Parliament) approved government proposals that drilling in these waters could start, on a limited scale, next summer. The first locations under the round are expected early next year.

The 27 companies which have applied are: Arctic Petroleum, Amoco, Esso, Elf-Aquitaine, Chevron, Elfina, Mobil, Saga, Total, Elfina, Esso, Deminor, Agip, Elf, Texaco, and Shell.

Rumours boost Austrian schilling

BY PAUL LENDVAI IN VIENNA

OFFICIALLY INSPIRED rumours about a small revaluation of the Austrian schilling have sparked an influx of "hot money" into the country this week estimated at almost \$200m.

It also raised the exchange rate against the Deutsche Mark yesterday to Sch732.30 per DM 100, against Sch734.10 at the start of the week.

The central bank is expected to allow the Schilling to rise to Sch724-Sch730 per DM 100.

The hectic activity was set off by Professor Hans Seidel,

director of the Institute for Economic Research, who called for a de facto revaluation of the trade-weighted average of the Schilling by 2-3 per cent. Stability and firm action to offset the inflationary effects of the higher import bill for energy, he said, should have priority over export promotion.

Such a policy would mean an effective rate of Sch710-Sch720 per DM 100.

The revaluation plan has provoked strong opposition from the Chamber of Economy and the Federation of Austrian

Industries. Both complained that the move was "totally unjustified," and posed a threat to exports and increased the pressure on profit margins.

Austria is expected to increase its spending on imported energy by Sch60n (€190m) to a total of Sch30bn (€965m) this year, and the trade deficit is likely to rise by Sch1.5bn to Sch3bn. As a result of "imported inflation," the consumer price index also is forecast to rise a further 1 per cent this year.

Yugoslav projections questioned

BY DAVID WHITE IN PARIS

A NUMBER of Yugoslavia's official economic projections for this year are challenged in a report on the country published by the Organisation for Economic Co-operation and Development. Yugoslavia is not a member of the OECD but is associated with some of its activities.

Government targets for economic growth, the deficit in the country's current external

account and inflation are all judged to be unrealistically low. Despite a tightening of credit policy in February and recent energy-saving measures, inflation and balance of payments targets are unlikely to be met and further policy changes may be required. The OECD says.

In particular, the report urges more effective control of nominal wages. Unless the wage-price spiral can be slowed

down, it says, "high-growth policies will have to be laid aside from time to time to redress the external and internal financial situation."

There is no evidence that retail price inflation is slowing down, and it will have to do so considerably if the 13 per cent target rate for the year is to be met, the report says. Last year, the rate was virtually unchanged at 13.4 per cent.

The OECD expects an increase in the current account deficit from last year's \$1,020m. This contradicts the official projection of a small decline in the shortfall.

The report's forecast is based on a deterioration in terms of trade, due particularly to the rise in oil prices, and on the expectation that import volume will rise faster than planned.

But although Yugoslavia will probably fail to keep the increase in imports down to 2 per cent, its assumption of a 5 per cent growth in export volume "would not seem unreasonable."

Economic growth may exceed the 6 per cent target. Industrial output, in particular, has been showing a growth rate well above the year's projection of 7 per cent.

Construction activity should also exceed the target, although services may lag behind.

E. German industry misses output targets

BY ROGER BOYES IN BONN

EAST GERMANY failed to reach a number of important industrial production targets during the first half of this year, partly because of the effects of the severe winter which hit energy supplies.

The West Berlin-based Deutsche Institut fuer Wirtschaftsforschung said in a report released yesterday that industrial production rose by only about 3 per cent in the first half, well short of the 1979 target of 5.5 per cent. Growth was especially sluggish in the chemical, metallurgical and textile industries and investment was low.

The construction sector—particularly vulnerable to the effects of the winter weather—fell 2 to 3 per cent below the first half of 1978, the institute calculated.

It believes that East Germany is unlikely to reach the (albeit extremely ambitious) growth target of 5.5 per cent, especially as the new holiday decrees—giving workers an extra three to six days of holiday—will curtail overall productivity.

There are some indications, however, that special shifts, officially celebrating the 30th anniversary of the East German state, will be introduced in the second half and that this will have a beneficial effect on production.

The Institute's most surprising conclusion—drawn from the available official figures—is that energy production was only slightly hit by the winter. Despite reports of wide-scale freezing over of open-cast mines, brown coal production apparently fell only by 1.1 per

cent in the first quarter compared with the same period last year. Similarly, electricity production actually rose by 1.3 per cent, and gas output increased by 11.9 per cent.

This suggests that the severe energy shortfalls experienced by East German industry during the winter were the result of breakdown in the distribution network and transport bottlenecks. None the less, it was Herr Klaus Siebold, the Energy Minister, who was eventually fired for the problems in energy supply.

The energy production figures should not disguise the fact that East Germany, heavily dependent on supplies of Soviet crude, is facing considerable difficulties in the 1980s. Energy prices are to go up in January to cope with higher crude

import costs but, as the institute points out, the main problems are structural.

Much of the country's industrial plant is outdated and wastes energy, transport problems continue to hold up extraction and per capita energy consumption is well above that of most other industrialised countries, including West Germany.

East Germany yesterday put into effect tough laws barring both its domestic critics and foreign visitors from sending or taking anti-state literature to the West, Reuters reports.

The new measures also raise the penalties for political offences and are part of a broad legislative package passed without comment or debate by Parliament on June 28.

Moslem party threat to boycott Iran elections

BY ANDREW WHITLEY IN TEHRAN

IN A new threat to tomorrow's national elections in a constituent assembly, Iran's second largest party, the Moslem People's Republican Party (MPRP), has threatened to boycott the polls if they are not postponed for at least three weeks.

The move coincided with a strong appeal to the nation from Ayatollah Khomeini for a large turnout. "This will be considered a part of worship during the holy month of Ramadan," the country's unofficial head of state said.

Restating his determination to ensure that the constitution is truly Islamic, Ayatollah Khomeini said it was necessary for every man and woman to go to the ballot boxes with the same enthusiasm as he said had been shown in the referendum to abolish the monarchy, when officially more than 90 per cent of the electorate voted.

Those to be elected to the assembly had to be "experts in Islam, united, honest... and shunners of affiliation to left or right. In every electoral ward the clergy must invite the nation to elect them," he urged.

The Moslem People's Republican Party, which backs the moderate religious leader Ayatollah Shariat-Madari and claims to have the support of more than 8m Iranians, argued in a letter to the Ministry of the Interior that present conditions would not permit free and fair elections.

Last night the party was due to make a final decision on its stance. Withdrawal would cast grave doubt on the credibility of the assembly to be set up, but would probably make little difference to its composition.

Electioneering on radio and television and through the Press, is at last under way. The level of popular interest remains low and a number of cases of

intimidation of Khomeini opponents have been reported. Many candidates have expressed concern at the domination of the proceedings by the Islamic Republican Party, the biggest political organisation and made up of ardent Khomeini supporters known for their strong-arm tactics.

Prominent Liberals such as Mr. Hassan Nazih, the oil chief, and Mr. Ali Asghar Haj Seyyed Javadi, a distinguished writer, have also threatened to withdraw their candidatures if members of the ruling Revolutionary Council are allowed to stand.

But with only 24 hours to go there are no signs of the Government being swayed either by this threat or by that of the Shariat-Madari Party.

Earlier this week Ayatollah Shariat-Madari and Mr. Hassan Nazih, an outspoken critic of the regime, said they would have preferred the former constitution in force under the Pahlavi Dynasty to have been retained, with suitable amendments.

Well informed Iranians now feel that the present draft document may be made substantially more Islamic in character during assembly sessions.

To overcome the problem of the high proportion of illiterates likely to be participating in a complicated preferential vote, the Government has announced that illiterate voters can bring along friends to assist them.

In any case a final list of some 60 successful Moslem candidates is regarded here as virtually a foregone conclusion, given the prominent role the Mosque is playing. As one leading academic said yesterday: "They'll probably be told who to vote for when they go to the Mosque for their evening prayers."

Concern is mounting over Pakistan's economic problems. Simon Henderson reports from Islamabad

Growing shadow over General Zia's future

THE PRESIDENT of Pakistan, General Zia-ul-Haq, has failed so far to find a solution to the problems of handing over power to a civilian government and of managing the economy, a failure that casts a growing shadow over his future.

Elections are due to be held in November and could give at least a narrow victory to the Pakistan People's Party (PPP), formerly led by Mr. Zulfikar Ali Bhutto, who was overthrown by General Zia in July 1977.

General Zia, as orchestrator of the campaign against Mr. Bhutto which led to his hanging for a political murder last April, would most likely be the first target of reprisal for a PPP-led Government.

It is doubtful whether his fellow generals would permit acts of revenge, even though General Zia himself has said that he would be quite prepared to stand trial. The least fate of some of the generals who have worked closely with Zia's martial law regime would be forced retirement, while for others it could be imprisonment.

The general is thus unlikely to carry through his objective of the re-establishment of the rule of law and the creation of conditions for the restoration of democracy. The plethora of anti-Bhutto political parties would be unlikely to stand for a restoration of PPP rule. To

many Pakistanis, including notably the bureaucracy, a continuation of military rule may seem preferable.

For General Zia, however, the mantle might be too much to bear. Observers say he looks drained from the exertions of running the country. For the other generals who would have to rule if the military regime continues, it would probably be more convenient politically if Zia stepped aside.

General Zia is preparing the ground to push through several constitutional amendments which would allow for a measure of civil rule while the army stayed close to the centre of power.

Proportional representation, suggested last week, would probably result in a weak coalition government demanding a strong President. A former chief justice is working on a formula which would permit the army to intervene constitutionally whenever the President felt the Prime Minister was exceeding his authority.

But neither move removes the danger of a Peoples Party victory. Under the leadership of Begum Nusrat Bhutto, the former Premier's wife, and his daughter, Benazir, the party can still pick up many working class and peasant votes.

Another consideration is that in its two years of office the military regime has attempted



General Zia-ul-Haq

to revive Pakistan's economy and to create stability after years of a high-handed Bhutto administration which deeply polarised Pakistani society. But the political parties seem woefully unprepared to continue these efforts. None of the contestants has powerful policies or more than a few good candidates.

The former anti-Bhutto Pakistan National Alliance has been split for more than a year, and in addition some of its

parties are tarnished by the holding of office in one of Zia's Cabinets, where allegations of corruption were made against them.

The PPP can win votes by playing on the legacy of Mr. Bhutto although according to some officials, this sympathy is not as great now as it was at the time of the execution.

Zia probably knows even better than the political parties that whoever gains power will face an immediate crisis. Deci-

sions must be taken about the economy which will mean hardship and disappointment for many. Pakistan is living beyond its means, with growth slowing and debts increasing.

Foreign cash reserves stand at just \$400m, remittances from Pakistanis working in the Gulf and in Britain have reached a plateau at \$1.3bn a year, while debt service payments are pressing and western countries are refusing to reschedule when no remedial domestic policy is in sight.

The men who will be with Zia in the "smoke-filled rooms" when the next stage of Pakistan's government is planned are the other Service chiefs and the six lieutenant generals who command the various corps around the country and, in the case of four, are the provincial governors.

Observers in Islamabad say that if there is to be a continuation of military rule it will be from this group that the new leader will come. This is the Pakistani tradition.

Other observers say none of this group wants to stay on in power or close to it. But the arguments for stability, particularly by the senior civil servants who have identified themselves closely with the regime, might be unbecomingly Zia has got away, at least in the short term, with hanging Mr. Bhutto and with

postponing elections initially promised for October 1977. It might be tempting to think that with a few cosmetic changes, it would be possible to delay elections again.

The present regime is in the middle of several sensitive policies which it is unlikely to trust to the hands of novice politicians.

The tribal rebellion in Afghanistan could easily lead to open conflict between Pakistan and the pro-Soviet Tarak regime in Kabul, with the added danger of Moscow turning its attentions on Islamabad as well.

Also, the plans to build nuclear bomb are, according to western analysts, continuing apace. This operation has always come under the aegis of the Pakistan Army.

The dangers of not holding elections are twofold. Protest in the streets can be controlled by police action and the arrest of party leaders, but the organisation of the political parties is probably not enough for protest to be able to continue while the leaders are in prison.

The greater danger of Pakistan's weak federalism, it would be suicide for Zia not to hold elections. It would mean the break-up of Pakistan "in the view of a man close to the general."

Mauritania pulls out of 'crippling' Saharan war

BY OUR FOREIGN STAFF

MAURITANIA HAS decided to withdraw from the war against Algerian-backed guerrillas over Western Sahara and to give up the part of the North-West African territory it took over in 1976.

Lt-Col. Mohammed Haidalla, the Mauritanian Prime Minister and strongman, announced final capitulation from a struggle that has proved militarily and economically crippling and has caused serious internal political problems for his country.

Col. Haidalla said Mauritania had "chosen definitely to withdraw from the Sahara war which we consider fratricidal and unjust. Mauritania has no territorial ambitions in the Western Sahara," he said.

He added that Mauritania's administration of the Tiris el Gharbia, its portion of the former Spanish colony, was provisional and was only there until the local population could determine its own future.

In fact Mauritania does not have effective control over the Tiris el Gharbia. Apart from a number of garrison towns the territory is largely under the control of Polisario, the guerrilla group which is backed by Algeria.

It remains to be seen whether Morocco, which divided up Western Sahara with Mauritania in 1976 and which still has several thousand troops in Mauritania and the Tiris el Gharbia, will try to consolidate its hold on the territory. Alternatively Polisario might attempt to establish there the government of the Saharan Arab Democratic Republic, which was



proclaimed in 1976 and has been in exile in Algeria. A number of countries have already reorganised the SADR and if it obtains an independent territorial base it may achieve wider acceptance.

The Mauritanian capitulation is a blow to Morocco, but one which has been increasingly likely ever since the country's long-standing leader, President Ould Dada, was deposed in a coup just over a year ago as a result of opposition to the war.

King Hassan of Morocco has vowed to continue fighting, claiming that the Western Sahara is Morocco's by historical right.

Morocco suffered a severe diplomatic setback at the African summit in Mauritania last month when a resolution calling for a ceasefire in the Western Sahara and the organisation of a referendum to consult the population was adopted by a majority of two-thirds of the participants.

Charan Singh will seek vote of confidence

BY K. K. SHARMA IN NEW DELHI

A VOTE of confidence in Mr. Charan Singh's new Indian coalition Government is to be sought in the Lok Sabha (lower house of parliament) on August 27. Until then Mr. Charan Singh will have an unstable and uneasy existence as leader.

Present signs are that the coalition is in a minority, and unless the Prime Minister can attract more support, then he will fall.

Persuasion of the 100 or so uncommitted members of parliament by the Government and the Janata opposition is in progress.

If Mr. Charan Singh fails to attract a minimum of 70 more members to his side, the Government will fall. This is because Mrs. Indira Gandhi has withdrawn her support for Mr. Charan Singh and with it the 72 members of her Congress Party.

Should Mr. Charan Singh fail to survive, constitutional experts say that the President, Mr. Reddy, will call upon Mr. Jagjivan Ram, leader of the (Janata) Opposition, to form a Government, despite the fact that the Janata is also in a minority.

Many feel that a mid-term election is unavoidable. The present manoeuvring for position would appear to be a prelude to the election that almost

every party does not want but feels is unavoidable. But there is no certainty about the timing.

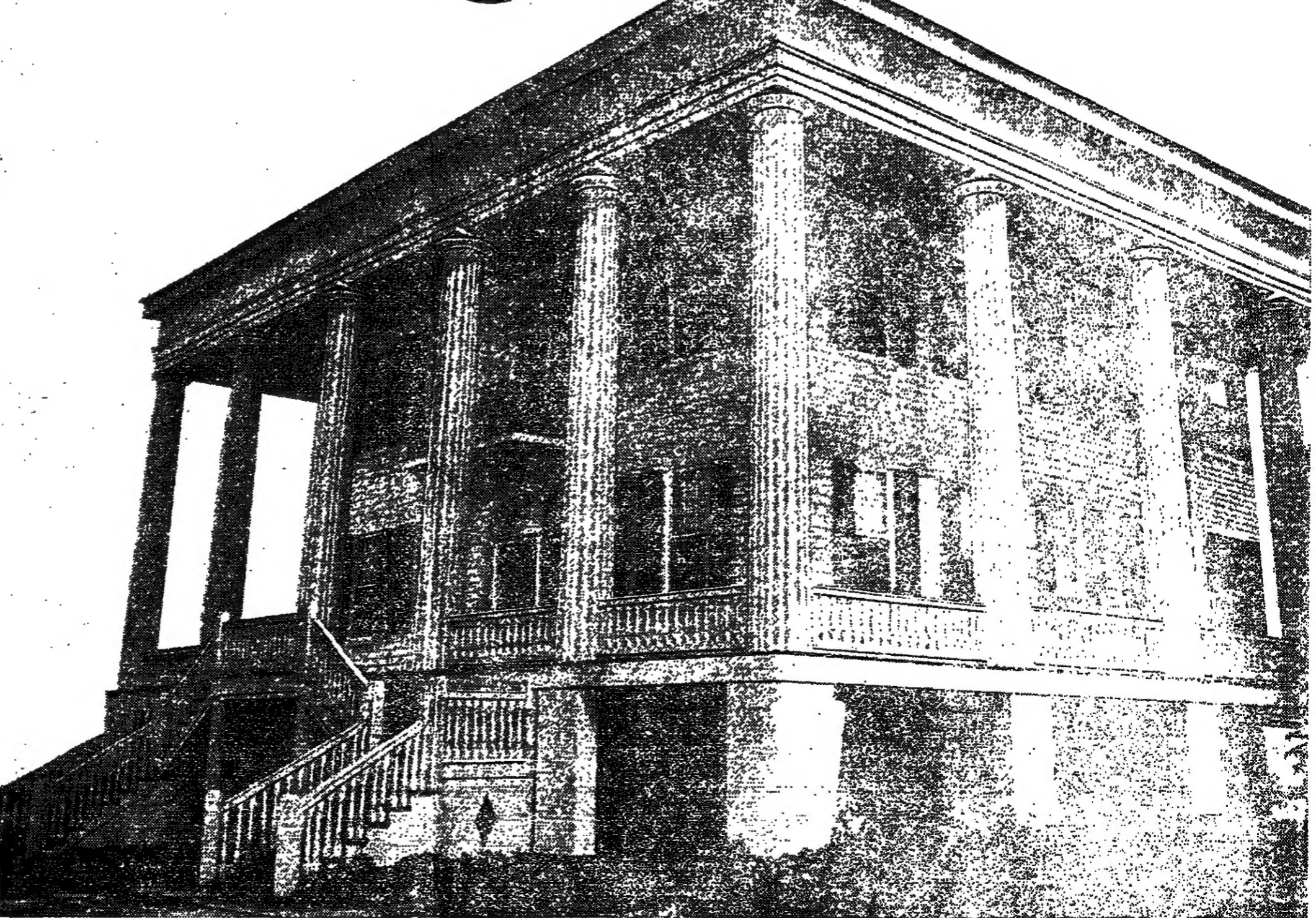
The Election Commission has let it be known that it will take up to six months to make preparations for the poll since this involves the revision of electoral rolls and the setting up of booths for an electorate of more than 400m. Each Parliamentary Election has more than 5,000 contestants for the 542 seats in the Lok Sabha.

Though an election cannot be speeded after the end of the year, it is expected to be delayed further if competing parties are given opportunity to form a Government should Mr. Charan Singh and Mr. Jagjivan Ram fail.

The President is already known to be thinking of setting up a National Government if political instability remains. This would be formed by non-controversial people of national stature, although finding a sufficient number would be a problem.

Many fear that an early election will not solve anything since no party will emerge with an absolute majority. In that event, the present horse-trading will continue, possibly to the advantage of Mrs. Indira Gandhi, who is fast emerging as focal point of potential power again.

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AMERICAN NEWS

David Buchan follows the President to Bardstown, Kentucky on a foray to 'break down the barriers'

Carter's crusade for coal

A WHITE-HAIRED lady comes up to the rostrum in the steamy, packed Bardstown high school hall in central Kentucky, gets a warm welcome from President Carter, and steps to the microphone to ask for help in getting the telephone service extended to nearby Bullitt County. Mr. Carter then promises to bring the full weight of Presidential authority to bear on the problem the very next day. His audience of 2,000 local citizens ovate it.

It may not be high policy, but Mr. Carter is smart politicking. The President's "evening meetings" in Bardstown on Tuesday—the first of a series of "break down the barriers" orays he plans to make around the country in coming weeks—must be judged a success, in its own small terms. His goal is to bridge the chasm between the American people and the government in Washington.

It is almost as though Mr. Carter has posed the problem precisely because its solution—mail, shirt-sleeved local meetings—best suits his homely style. It certainly appears to serve the purposes of Mr. Carter, who as the future Presidential candidate, and as the incumbent who has nowhere to go in the opinion polls, but up.

As he heard out to Kentucky, new ABC-Harris Poll showed he is standing in the country to just as low as it was before the new energy measures and cabinet shake-up.

Last month only a quarter of those surveyed in this sample approved his handling of the presidency. At the same time, however, no one at Bardstown was interested enough in the "barrier" changes to question him on them. This at least seemed to hear out the White House contention that the personality hanes that made such waves in Washington scarcely caused ripple west of the Potomac.

But the President had no intention of letting Kentuckians forget his other big national announcement, that concerning energy.

Kentucky is the country's largest producer of coal, and a hard-core coal state. Mr. Carter said, to loud applause, "I would



President Carter greets the crowds from the roof of his limousine.

rather burn a ton of Kentucky coal than see our nation become dependent on buying another barrel of OPEC oil."

The Administration's new emphasis on raising coal production and on finding new uses for it has pleased Kentuckians; so has Mr. Carter's decision to remove Mr. Joseph Califano, the former Secretary of Health, who worked war on smoking. This was about the only Cabinet change that registered in Kentucky, the second biggest grower of tobacco in the country.

The President, quick and self-confident in this company, deftly warded off some worries about effects of his pro-coal drive. He had pointedly taken a tour earlier in the day around a Louisville coal power plant that had been one of the first

to install "scrubbers" to remove sulphur from its fumes. He also promised there would be no weakening of Federal restrictions on open-cast mining, extensive in western Kentucky.

Fuel-saving is not a part of energy policy that brings American audiences cheering to their feet. Bardstown people are typical in that many need fuel to make the 30-mile daily round trip to work in Louisville.

But Mr. Carter, while saying there was no case yet for implementing petrol rationing, stressed the need for conserving fuel, something that has almost dropped out of sight in recent Presidential pronouncements. He is being pushed by a growing awareness that conservation is one of the very few steps with an immediate impact on

U.S. energy use, and by the fact that Senator Edward Kennedy has made it a main plank of his alternative energy plan.

No Carter speech these days is complete without a strident appeal to ordinary citizens to help him defeat Big Oil's attempt to neutralise a windfall profits tax measure now before the Senate. His homily in Bardstown was no exception.

Certainly, Mr. Carter has cast the tax as the only means to pay for his \$142bn energy programme for the 1980s. But it is hard also to resist a feeling that in this issue Mr. Carter thinks he has the makings of a popular alliance between President and people—that will keep him in the White House beyond 1980. "With your help, we can win," he tells his audience, and he is not talking only of the oil tax.

As the numerous placards on Tuesday proclaimed, "Bardstown is Carter Country." The President knew he was assured of a good reception there: the surrounding Nelson County went 62.5 per cent for him in 1976 against Gerald Ford, and Kentucky is generally a strong Democratic state.

But the President is likely to be warmly received also in Iowa, Florida, Maine and other places he intends to hold local meetings soon. If Bardstown is typical, he can expect to be bowled pretty easy questions, while the few tough ones can be fended off in a way that would not satisfy the Washington Press Corps, from whom the President is now deliberately seeking a respite.

A quick cast-around Bardstown showed that even those citizens who did not vote for Mr. Carter in 1976 and probably don't intend to do so next time, were still immensely flattered that the President of the United States of America had chosen to visit their community of 7,500.

But respect for the office is never quite separated from the man holding it. There is, thus, a danger that in breaking out of Washington and the closed circle of his advisers, Mr. Carter, may still draw the wrong conclusions from these folksy gatherings about his national standing.

Optimism in Turkey over currency relaxation

By Metin Munir

TRACES OF optimism are becoming apparent among the Turkish businessmen following the announcement that foreign exchange transfers by the Central Bank, frozen since the beginning of 1977, are to be reactivated today.

The transfer programme is so modest as to be symbolic: a total of \$195m (\$86m) will be transferred over the next two months (aside from oil, military procurement and essentials), under a programme announced by the Central Bank Governor, Mr. Ismail Hakki Ardicoglu.

Import orders awaiting foreign currency transfers at the Central Bank amount to over \$300m, according to the Istanbul-based Turkish industrialists' and businessmen's association.

But indisputably, however small, the reactivation of the transfers represents a breakthrough for the 19-month-old government of Prime Minister Bülent Ecevit.

With the funds at its disposal limited, the Central Bank has drawn up a list of priorities and completely banned the import of other items. Transfers will be made for imports for which letters of credit have been opened and effected, strictly according to priority. The priority list includes petrochemicals, iron and steel products, chemicals and spare parts.

The intention clearly is to boost local industrial manufacture which was badly hurt by the foreign currency famine.

The import of about 50 items have been banned. These include a variety of items such as tyres, outboard engines, tractors, electricity generators, batteries, and video sets.

A special allocation of \$10m has been made for the import requirements of the private sector. Up to \$50,000 of transfers will be effected for import orders through letters of credit on a first-come first-served basis.

While \$10m may appear insignificant for the import demands of private business, this comes in addition to a system of allocations from which industrialists can benefit.

Under this, industrialists can use nearly 100 per cent of their earnings from export proceeds to make imports for their private needs.

However, like Turkish businessmen, foreign bankers here are sceptical about how the new transfers will be made, and more important, how long they will continue.

Higher quotas sought for UK scrap metal

By John Lloyd

BRITAIN'S scrap merchants are pressing the Government to increase quotas on exports of high grade scrap from the UK, and believe they may be successful.

Dealers are concerned that they are losing orders to other European countries, where export restraints are less severe.

The British Scrap Federation said yesterday that because of the strength of the pound sterling, scrap was selling at around £5 a tonne cheaper in Spain, the UK's largest market.

Exports this year are running at annual rate of 1.35m tonnes, 15 per cent down on last year's record levels.

However, the federation reports that the industry has experienced "fairly steady demand" in the first half of this year, with consumption in the second quarter rising to 3.2m tonnes from 2.9m tonnes in the first quarter.

The company said it would retain the Europa sales and marketing umbrella for the West German-made electronics products company. Europa would continue to operate as a subsidiary company among Wholesale Supply's other holdings, the core of which is Allied Electronics Distributors, which it acquired from the Phillips group a year ago.

Koerting said that its overall turnover plan for 1979 was £50m, of which £20m was expected to come from export sales. The UK target for its "up market" products was about

Japan takes larger share of W. German car market

BY ROGER BOYES IN BONN

JAPANESE CARS are taking an increase share of the highly competitive German market, according to the latest statistics on new car registrations in the first half of 1979. Japanese models now rank second only to the French as the most sought after foreign cars in West Germany.

Japanese cars, led by Toyota, accounted for 4.9 per cent of overall new car registrations in Germany according to the Federal Transport Office statistics. France easily leads the foreign field with a 10.4 per cent share. Renault took 5 per cent of this slice, due mainly to the high sales of the R4 model.

Japan has now edged up from a 3.6 per cent share in 1978 and, according to the German-Japanese Economic Bureau, is aiming this year for a 5 per

cent share of new registrations. During the past year, Japan has overtaken Italian manufacturers whose share has dropped slightly from 4.6 per cent in January-June 1978 to 4.5 per cent in the first half of 1979.

The most popular Japanese cars in Germany are Toyota (1.2 per cent total market share), followed by Nissan Datsun (1.1 per cent), and Toyo Kogyo-Mazda (1 per cent).

The turnaround on the market has been partly the result of an intensified bid by Japanese manufacturers to establish themselves in Germany: investment has been stepped up and there has been a shift from regionalised distribution and service networks to more centralised and efficient operations.

Toyota, for example, has in-

vested DM 30m (£7.2m) in a new Cologne base — which incorporates a national spare parts depot, an administration centre and a training school.

West German manufacturers continue to dominate the market, led by Volkswagen, which, with Audi-NSU models, accounts for 31.6 per cent of all new registrations. Opel was in second position with an 18.5 per cent share.

Foreign manufacturers' share of new registrations has remained at the 24 per cent mark over the past year and apart from the rapid surge of the Japanese, there have been few major shifts in market position. Britain has marginally increased its share from 0.5 per cent in the first six months of 1978 to 0.6 per cent in the first half this year.

Opportunity opens for Vauxhall

BY LISA WOOD

NEW MARKETS will open to Vauxhall Motors with the setting up by its parent company, General Motors, of its own wholesaling and retailing operation in West Germany.

The new marketing organisation — to be called GM Trucks — will be opened later this year as a division of General Motors Deutschland for the distribution of West German of a variety of commercial vehicles. Vehicles sold by the office, set

up in conjunction with Vauxhall Motors, the GM subsidiary, will include GM trucks imported from the U.S. and Bedford trucks, imported from Vauxhall.

GM, which previously only marketed GM cars in West Germany, said it planned to sell 500 trucks in the first year of operation, and raise sales to more than 5,000 a year by the end of the 1980s.

Vauxhall Motors said this was the first step in a phased deve-

lopment plan aimed at strengthening GM commercial vehicles as a significant force in the European market.

Adam Opel, a GM subsidiary, will continue to distribute the light Bedford commercial range, known in West Germany as Bedford Blitz.

Fiat Auto, which incorporates Fiat and Lancia, also announced new marketing plans to set up a single company to represent both makes in the UK market.

Alitalia 'may buy Boeing 747s'

BY PAUL BETTS IN ROME

ALITALIA, which has now waited more than two months for Italian Government permission to buy six McDonnell Douglas DC-10 airliners, declined to comment yesterday on reports that it will buy five Boeing 747s.

The reports published here claimed the 747s would replace Alitalia's earlier plans to buy DC-10-30 aircraft.

The Italian airline announced in June it had suspended its

planned purchase of the six DC-10s following the Chicago air disaster, and Senator Umberto Nardo, Alitalia chairman, said he was in no position to say whether Alitalia would eventually go through with the \$850m (£185m) deal with McDonnell Douglas.

Alitalia signed an initial contract with McDonnell Douglas in May to increase its DC-10 passenger and cargo fleet to 14 aircraft.

An Alitalia spokesman said yesterday the airline was still waiting for Government approval. At the same time, Alitalia is understood to be considering eventual alternative deals in view of the Government delays in approving the DC-10 purchase.

The Italian company is anxious to complete its current investment programme for the expansion of its passenger and cargo fleet.

China sets up new trade agencies

BY COLINA MACDOUGALL

IN A MOVE apparently designed to encourage trade, China has established two new commissions to regulate foreign investment and supervise importing and exporting. Vice-Premier Gu Mu, previously Minister in charge of the State Capital Construction Commission, has been appointed to head them.

The purpose of the new commissions, the New China News Agency said, was to ensure control over foreign investment and to strengthen the management of trade and the introduction of advanced foreign technology.

While the agency gave no further details of the new organisations, they are presumably intended to streamline the machinery for setting up joint

ventures, for which China has recently announced new legislation, and to run China's complex trading system more effectively. China's existing trade bodies were not designed to handle the current rapid expansion of commerce with the West. The

new commissions, which will probably operate immediately below a State Council (Cabinet) level, may have the power to speed up decision-making. Vice-Premier Gu Mu is a highly experienced economic administrator.

Crude oil price raised

BY RICHARD HANSON IN TOKYO

CHINA HAS set the price of its Daqing (Tacheng) crude oil being exported to Japan during the July-September quarter at \$21.90 per barrel, or 28.5 per cent above the \$16.95 price agreed in mid-April for the previous quarter.

According to the two Japanese organisations importing Chinese crude, International

Oil Trading Company and The Federation of Chinese Petroleum Importers, Japan will import a total of about 7m tonnes this year, or 3 per cent of Japan's total oil imports.

The latest increase makes the Chinese oil slightly more expensive than the Minas crude oil Japan buys from Indonesia which is similar in quality.

Koerting UK changes hands

BY FRANK GRAY

THE SALES and marketing in Britain of television, stereo, record player and other electronic products from Koerting, of West Germany, will now be undertaken by Wholesale Supply, the distribution company based in Stoke on Trent.

Wholesale Supply announced yesterday that it had completed acquisition of Europa Electronics from Mr. Albert Pearson, who was retiring after 49 years in the electronics business in Britain.

The company said it would

retain the Europa sales and marketing umbrella for the West German-made electronics products company. Europa would continue to operate as a subsidiary company among Wholesale Supply's other holdings, the core of which is Allied Electronics Distributors, which it acquired from the Phillips group a year ago.

Koerting said that its overall turnover plan for 1979 was £50m, of which £20m was expected to come from export sales. The UK target for its "up market" products was about

film for the year, or about 1 per cent of the domestic market.

A senior company official said that the UK sales figure was showing signs of healthy recovery following a period of difficulty in recent years, due largely to the high value of the West German mark.

Another element was Koerting's own reorganisation following its takeover by Corenle, the Yugoslavian household appliances manufacturer, which acquired the West German company's assets in a surprise takeover last year.

House wrangles over standby rationing

BY OUR WASHINGTON CORRESPONDENT

THE U.S. HOUSE of Representatives was yesterday still wrangling over the final shape of a standby petrol rationing plan, basically approved on Tuesday night. An emergency rationing scheme has been a central plank of President Carter's energy programme to how the world that the U.S. is serious about saving energy.

Conflicting political pressures are pushing the House back and forth on energy issues, rendering it resistant to party leadership on either side. Thus, the House eventually passed an amendment to allow the President to impose rationing if petrol supplies dropped 20 per cent below normal over a 30-day period.

But at the same time, it approved a weakening of the one observation measure that has

already passed Congress. Businesses, according to the new amendment, would not have to raise summer temperatures in commercial buildings, or lower them in winter, if they could show they had made energy savings in other ways.

The Energy Department, which considers petrol supplies adequate at present, is now turning its attention to the need to build up home heating fuel stocks for the coming winter. The Department is issuing new instructions to oil companies to

boost heating oil production. President Carter, in a New York Times interview yesterday made it clear that he intended to hold the line on public spending and would not be rushed into preposing a federal tax cut

boast heating oil production. President Carter, in a New York Times interview yesterday made it clear that he intended to hold the line on public spending and would not be rushed into preposing a federal tax cut

Canadian parties angry over oil supplies

BY VICTOR MACKIE IN OTTAWA

THE CANADIAN opposition parties say they will introduce motions of no confidence in Prime Minister Joe Clark's minority Conservative Government early in the new Parliament, set to meet on October 9. The Liberals and New Democratic Party are angry over the Tories' treatment of Petro-Canada.

Petro-Canada, the government

oil agency was set up by the Liberals at the urging of the NDP but without the support of the Conservatives.

With 136 seats, the Tories are six short of an absolute majority in the 282-member House. If a no-confidence vote went along party lines, the Conservatives would require the votes of all six Social Credit MPs to avoid defeat.

The energy spokesman for the Liberals and the NDP yesterday separately voiced concern over the Imperial Oil Company sending a delegation to Mexico to discuss oil supply contracts. Mr. Marc Lalonde, chairman of the Energy Policy Committee of the Liberal caucus, said that Imperial Oil has mounted a strong lobby in Ottawa against Petro-Canada.

Bosworth replaced at wages council

BY JOHN WYLES IN NEW YORK

RESIDENT CARTER's nomination of Mr. R. Robert Russell as director of the Council on Wage and Price Stability, a succession to Mr. Barry Bosworth, is expected to ensure continuity in an organisation which tends to act as the White House's conscience on inflation.

The council's role has been recently expanded by the doption last October of pay

and price restraint guidelines and the appointment of Mr. Alfred Kahn as its chairman. Since it was given responsibility for administering the guidelines, the council's staff has grown from 33 to 233, mostly professional economists, lawyers and accountants, and its annual budget increased to \$84m.

Mr. Russell, aged 41, was appointed Deputy Director of the council a year ago, on leave of absence from the University of California where he was a

professor of economics. His relations with Mr. Kahn, the President's inflation adviser, are said to be much closer than were Mr. Bosworth's.

In his two years as director, Mr. Bosworth established a reputation as an extremely bright economist and administrator who enjoyed lecturing business, labour and the administration on the dangers of inflation. He and Mr. Russell, President Carter's nominees to the country's two key econo-

mic posts have successfully cleared part of the Senate confirmation process. The Senate Banking Committee yesterday voted unanimously to recommend confirmation of Mr. Paul Volcker as chairman of the Federal Reserve Board. Similarly the Senate Finance Committee unanimously voted its approval of Mr. William Miller as Treasury Secretary. Both recommendations are expected to be endorsed by the full Senate.

A mouthful of new names to help the U.S. oil-saving drive

BY DAVID LASCELLES IN NEW YORK

THE U.S. tries to digest resident Jimmy Carter's bulky string of energy measures, a couple of them have already tucked in some people's throats, and not just because their names take a good mouthful. They are the Energy Security Corporation and the Energy Mobilisation Board.

The first, known as ESC, will be a gigantic public corporation (th about \$550m to spend on the development of alternative sources of fuel such as coal, lignite, peat, oil shale, and natural gas which lies in unusual geological formations and is hard to extract. Its target will be to replace 2.5m barrels of imported oil by 1990, equivalent to about one-eighth of current consumption.

But to prevent the ESC turning into another bureaucratic dinosaur, Mr. Carter says he wants it to be dependent of all Government agencies, and beyond the review of the executive branch. He hopes, while he makes it business-oriented, the ESC's job will also be to promote competition in the energy business.



so it will work with the smaller rather than the major energy companies.

But the ESC's role will also be limited. It will be restricted to financing development of production capacity—research will continue to be done by industry and the scientific community—and it will only be able to provide finance by means of loans and grants. It will not have the authority to participate in joint ventures or other forms of equity ownership.

is to be handled by a special "solar bank" of funds to help householders to convert their homes at subsidised costs.

The biggest criticism which people have of the ESC is that it marks further massive government interference in the marketplace. Although the restrictions Mr. Carter has placed on the ESC suggest he does not want it to take over a large chunk of industry's work in energy development, the corporation will still be the largest single entity in the energy business.

Average outlays over its 10-year life to 1990 will be \$8.8bn a year, which compares with the \$5bn spent last year by Exxon, the largest U.S. energy company.

Many industrialists feel this will distort the market and prevent the U.S. adjusting to real energy costs. They also resent the implication that they are incapable of, or not interested in, developing fuels to replace oil. Other critics have pointed out that, despite Mr. Carter's claims as to the ESC's independence, the seven-member board will consist of four presidential nominees (confirmed by

NEW GOVERNMENT AGENCIES TO BACK UP PRESIDENT CARTER'S ENERGY PROGRAMME

Energy Security Corporation	Financing of production capacity for alternative sources of fuel—but not nuclear or solar energy. Promotion of competition in energy sector.	Budget of \$88m. Independence from other government agencies.
Energy Mobilisation Board	Cutting of red tape to speed up energy projects which are deemed crucial to meeting energy-saving targets.	Will fix deadlines for decisions on crucial energy projects. Can waive wide range of federal, state and local laws to get measures through.

(the Senate) and the Secretaries of the Treasury, the Energy Department and the Interior Department.

However, it is an inescapable fact that the cost of developing alternative fuels has always kept ahead of the price of oil. So there is a case for bypassing fuel economics, particularly if it is judged that the high dependence by the U.S. on oil imports (now 45 per cent of total consumption) poses a threat to national security.

But if the ESC has aroused strong feelings, the energy mobilisation board (EMB) has

become a rallying cry for some powerful lobbies too.

The EMB's job will be to cut through the red tape of regulations and bureaucracy to speed completion of energy projects which are deemed crucial to meet the 1990 oil-saving targets. Having designated these projects, the board will have the power to fix deadlines for decision-making and to take the decisions itself if necessary.

approval of several members of Congress, who have tabled aptly named "fast-track" Bills to get it established, or to provide for presidential waivers.

But the very boldness of the EMB idea has predictably triggered a sharp reaction from environmentalists, who see it undermining legislation it took years of vigorous lobbying to get on to the Statute Books. Typical comments are that if the EMB was established there would be nothing to stop the construction of a power station in the Grand Canyon.

Others are concerned that standards on safety, building and siting will be by-passed, encouraging an arrogant attitude in the EMB and those riding on its coat-tails.

Industry, on the other hand, is quietly delighted with the proposal since it should clear many of the obstacles it has been complaining about for years. It would also cut costs by speeding construction and doing away with what many industrialists consider to be unnecessary and petty regulation. Their only regret is that Mr.

Carter is trying to circumvent regulations when he could have abolished them altogether.

However, few company chairmen have yet felt bold enough to come out in full support of the plan for fear of what could be a powerful popular reaction.

The fate of the ESC and the EMB hinges on Congress, which would have to approve Mr. Carter's proposals. In the past, Congress has been hostile towards gigantic energy projects, and it may view the ESC in this light. Similarly, despite the fast-track Bills, it could interpret the EMB as an affront to the environmental and other Bills which it has approved in recent years. Furthermore, the \$880m for the ESC would have to come from the proceeds of the windfall profits tax, and this has yet to go through.

On the other hand, there are signs that Congress is becoming more concerned about the energy crisis and it has already considered several proposals to boost production of synthetic fuels. Mr. Carter could therefore get his EMB and ESC in some shape or form.

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Turbine generator contracts divided

BY JOHN LLOYD

DIFFERENCES BETWEEN the Central Electricity Generating Board and the South of Scotland Electricity Board have led to design contracts for two pairs of turbine generators being split between Northern Engineering Industries and the General Electric Company (GEC).

GEC has won the design contract to supply two four-flow 560 megawatt turbines to the SSEB's advanced gas-cooled reactor station at Torness. NEI has the design contract for two six-flow 660 MW turbine generators which will go to the AGR station being built by the CEB at Heysham. Manufacturing contracts worth around £150m are expected to follow.

The CEB had been anxious to standardise the design of the AGR turbines to achieve economies of scale and greater efficiency. It believes that the six-flow system, while more expensive initially, offers savings in running costs which more than compensate for the higher capital costs.

But the SSEB said yesterday its engineers were satisfied that the GEC four-flow machine was both cheaper and better suited for the Scots system. It is understood that the four-flow machine is between ten and 15 per cent cheaper than the six-flow.

GEC said yesterday that the Torness order "will continue to give overseas customers confidence in the GEC design and thus assist continuing efforts in the export market". The company says that it has supplied 7,300 MW of generators worth £280m to export markets, 90 per cent of all turbine generator exports.

Both boards have also agreed that the placing of the manufacturing contracts, expected early next year, should not go ahead until, as the CEB said, "the restructuring of the nuclear design and construction industry, at present under consideration by the Government, has been satisfactorily resolved."

The Government is currently considering a number of proposals on the restructuring of the National Nuclear Corporation and its operating arm, the Nuclear Power Company, created in 1974.

NEI said yesterday that it had no objections in principle to the proposal to restructure the industry around the two boiler-making companies, Babcock and Wilcox and NEI Clarke Chapman, provided that there was no question of a merger between the two companies.

Concluded

It believes that overseas customers do not regard the six-flow system as economically attractive, and says that the savings on running costs are "marginal". It has been anxious to have the four-flow system adopted in future UK orders.

A Central Policy Review Staff study of the two systems, set up late last year, has reportedly concluded that any choice between the systems should be a matter for the boards.

While the two boards are divided over the choice of

system, they will be involved in the approval of designs submitted by both manufacturers and the resulting turbine hall layouts. The CEB said that this would mean that "either board can for future AGR stations use either turbine with its associated standard layout."

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Warship yards 'must be denationalised within two years'

BY LYNTON MCALIN

UNLESS THE Government decides to denationalise the Vospers Thornycroft (UK) warship yards by the end of next year the company will not be worth buying, Sir John Rix, chairman of Vospers, said yesterday.

Vospers, part of David Brown Holdings, owned Vospers Thornycroft before its assets were nationalised two years ago.

The company is now the most profitable part of the state-owned British Shipbuilders. It made a pre-tax profit of over £10.7m in the year to the end of March, more than double the profits of the previous year.

But Sir John warned yesterday that these profits would probably disappear in two years. He said an estimated £7m to £8m of the latest profits represented interest earned by the corporation on advance payments for warships now being built.

The advances, which total £100m, have not been acknowledged by the Government or British Shipbuilders.

The money came from Saudi Arabia which provided most of the funds for a warship order from Egypt. This is now going through the company's Southampton yards and Sir John believes most of it should be paid back to Vospers as the orders were won by the company.

Sir John believes the size of these advance payments and the possible sensitivity of Saudi Arabia over the interest now

being made on its money embarrassed the Government into delaying any plans for de-nationalising at least the warship yards of British Shipbuilders.

He wrote to Mr. Adam Butler, Industry Minister, before last week's Government statement on shipbuilding policy, offering to accept phased repayments of the money in return for swift de-nationalisation of Vospers Thornycroft.

But after the policy statement he said his company was "terribly disillusioned" with Government intentions. He had understood from Sir Keith Joseph before the election that Vospers had no need to worry about compensation for nationalisation because it would get its original assets back.

A second letter to Mr. Butler said that Vospers now saw no alternative but to press its claim for compensation.

He expected "a fair deal" and would take every possible step to secure compensation "in excess of £30m" for the original assets, which were now valued at £25m. The Government had already offered £4m.

Vospers would take the matter to arbitration and if necessary to the European Court of Justice to get its full compensation.

But denationalisation was the company's favoured course and he advised Sir Keith Joseph, Industry Secretary not to leave decisions on denationalisation "until it is too late."

Vospers' interim results, Page

Shiprepair chief resigns

BY LYNTON MCALIN

FOR THE third time in a month, British Shipbuilders has lost the chief executive of a ship repair yard. Yesterday it announced that Mr. Ian Sutherland, managing director of Falmouth Shiprepair, has resigned.

The other casualties of a big shake-up in the State-owned corporation were Mr. R. A. B. Butler, chief executive of Tyne Shiprepair, who left on Tuesday, and Mr. James Ekins, chief executive of River Thames Shiprepair, who left in the middle of last month.

The only senior chief executive of a British Shipbuilders' repair yard to keep his position after the latest changes is Mr. John Wilde, of Vospers Shiprepair at Southampton.

All the yards mentioned lost heavily in the financial year that ended in March. The total loss exceeded £19.2m with Tyne Shiprepair leading the league with a loss of almost £8.5m.

Mr. Wilde's yard lost £2.5m, but that was an improvement on the previous loss of £3.7m in 1977-78.

The improvement in performance in only one yard comes when the others are following a world trend towards greater losses for shiprepair.

The corporation's policy is to direct work to the most profitable yards.

Mr. Wilde is being given control also of River Thames Shiprepair. Eventually the two yards may be merged for marketing and material purchases.

Mr. Eric Mackie, managing director for the corporation's overall shiprepair activities, will handle Tyne Shiprepair until a full-time chief executive can be found.

Cautious reaction to BP takeover

BY JOHN MAKINSON AND ALAN FRIEDMAN

BRITISH COMPANIES have reacted in a cautious manner to news of the nationalisation of BP interests in Nigeria, amid worries that BP could be a harbinger of things to come.

In a survey of several large UK companies it was clear that serious thought is being given to future prospects, but no immediate action is contemplated.

Mr. James Gilbertson, vice chairman of Metal Box, a group with Nigerian interests, said: "The situation in Nigeria is of concern to us and we are watching it very carefully." The two Metal Box companies in Nigeria, which handle glass and can production, bring in £38.4m—12 per cent of the group's total overseas sales.

Guinness, whose assets in Nigeria total about £75m, holds 25 per cent of Guinness Nigeria. Mr. Alan Wood, managing director of the Guinness overseas operation, said the relationship between the UK group and Guinness Nigeria was excellent.

"Guinness Nigeria is making a lot more money this year than last. Further, there are 60,000 Nigerian shareholders in Guinness Nigeria."

Sir Michael Parsons, one of the directors at Inchcape, says his group is not alarmed at events. Inchcape's interests in Nigeria are mainly in agricultural vehicles. Group assets in all of Africa represent 5 per cent of total assets as of this year. Meanwhile, Inchcape has increased its participation in Kenyan operations from 40 per cent to 100 per cent.

One company which has been particularly hard hit by the downturn in the Nigerian economy is Paterson Zochonis, the trading and manufacturing group. Its chairman, Mr. John Zochonis, took a sanguine attitude to the group's prospects.

The company has no interests in Southern Africa and Mr. Zochonis noted that Nigeria's economy must now improve as oil prices rise. He accepted, however, that Paterson would suffer like any other British group from a wholesale nationalisation.

A spokesman for Ocean Transport and Trading's subsidiary, Elder Dempster, said trade with Nigeria dropped off significantly in the first half of this year, because of import controls and port congestion, but it is hoped that freight in the second half will reach 75 per cent of late 1978 levels. Elder Dempster owns 10 of the 39 ships in U.K. West African Lines, which carries out about 80 per cent of all sea trade with Nigeria.

Other companies took a very cautious view of Tuesday's news. Dunlop noted that it has always maintained good relations with the Nigerian Government. It is one of the few British groups to have maintained a majority stake in a company there.

Meanwhile, on the Stock Exchange, companies with a heavy Nigerian involvement were marked down. BP dropped 15p to 1160p, Paterson Zochonis 2.5p shares ended 10p lower at 130p and Guinness slipped 5p to 171p.

Anti-shipping missile programme approved

BY MICHAEL DONNE

THE MINISTRY OF Defence has formally launched development and production of the PST, an anti-ship guided weapon, which might eventually be worth between £800m and £950m to British and French industry until the 1990s.

British Aerospace Dynamics Group is to complete development and evaluation of this air-launched, all-weather, anti-shiping weapon and to supply an initial production batch.

If the new missile is effective, further substantial production contracts are likely.

Dynamics Group is the prime contractor and the missile's gas turbine engine has been developed by Microturbo, of Toulouse, France.

The PST has undergone research and feasibility study for more than two years. It is designed to be fired from aircraft such as the Buccaneer, Tornado and Sea Harrier.

It is termed a "fire-and-forget" weapon, guided to its target by its own computer, which embodies the latest microprocessor technology, and a radar homing device supplied by Marconi Space and Defence Systems.

Lord Strathcona, Minister of State for Defence, said that the project would provide substantial work for British Aerospace and other British companies until the 1990s.

£150m plan for more fast trains

By Lynton McAlin

BRITISH RAIL is to seek Government permission to spend £150m on 60 electric advanced passenger trains, which can reach 150 miles an hour.

The move comes after British Rail changed the train's design as part of the plan to persuade the Government to authorise large-scale production.

Mr. Robert Reid, marketing director, said yesterday that the long-term financial prospects of the Inter-City network would "flourish" without the new trains.

The London to Glasgow route was already losing passengers to the British Airways shuttle. Mr. Reid thought the railways could attract up to 70 per cent of the passengers on internal air routes with the new trains.

The design changes would give British Rail the greater flexibility needed to expand the high speed services. It could possibly use the advanced passenger train on a wider range of routes than the select few originally envisaged.

Tax relief on more business costs urged

BY DAVID FREUD

A WIDE range of business costs should become tax allowable for the first time, says an Inland Revenue consultative document issued yesterday.

The document comes after last week's announcement by Mr. Peter Rees, Treasury Minister of State, that he had "considerable sympathy" with the proposal that the costs of raising business loans should qualify for tax deductions.

The Revenue calls for comments on the document by October 31, and if no major difficulties emerge the necessary legislation is likely to be in the next Finance Bill.

The document is a reaction to strong pressure from industry, particularly the Confederation of British Industry, which argued that the way some business expenses are not permitted for tax purposes is an anomaly.

The CBI feels the UK tax practice on these expenses, known as "nothings," put British industry at a relative disadvantage and discouraged the launching of new businesses and the expansion of existing ones.

While the cost of raising money is only part of the total area of "nothings," the proposed relaxation is likely to be widely welcomed by business.

The costs that the Revenue

proposes making allowable include:

- Professional fees, including valuer's fee to assess a security.
- Land Registry fees and search fees incurred in connection with the security for the borrowing.
- Underwriting commissions, brokerage, introduction and negotiation fees.
- Commitment fees for loan facilities.
- Stock Exchange fees to secure quotation.
- Advertising an issue or placing.
- Costs of postage, printing prospectus and letters of allotment.

The revenue says that to simplify administration, the costs should be allowed as a trading expense—or an expense of management—in the year in which it is incurred.

In a second consultative paper, also released yesterday, the Revenue proposes an end to the present distinction between payments for compensation for loss of office and other payments on ending employment.

The paper also says that the "top-slicing" relief used in calculating the tax payable on end of employment payments should be discontinued, and instead only half the excess of such payments over the prescribed threshold should be taxed.

£3m aid for Corby

THE GOVERNMENT has promised £3m to attract new industry to Corby where the threatened halt of steel-making has put more than 6,000 jobs at risk.

Senior Ministers told a deputation from Corby yesterday that the Government "seriously consider the case for immediately granting the town assisted area status, if the steel plant closed."

Mr. Michael Heseltine, Environment Secretary, said £3m would be made available when necessary for the Corby Development Corporation and the Commission for the New Towns to provide infrastructure on sites for new industry.

Reject Anglo-U.S. court pact, insurers advise

BY ERIC SHORT

A PROPOSED Anglo-U.S. agreement on legal damages offers no benefit to British business or to British citizens and should be rejected, the British Insurance Association has told the Lord Chancellor's Office.

Under a proposed Civil Judgments Convention, awards for legal damages in the courts of one country would be enforceable in the other.

The association bases its opposition on these main contentions:

- U.S. court awards in civil matters are decided on a different legal basis, guided by liability rules that are more hostile to the defendant than those in UK courts.
- Almost all personal injury and property damage actions in the U.S. are the subject of jury awards. Damages are far greater than those awarded in the UK and allow for lawyers receiving a percentage of the award.
- Grounds for recognising U.S. judgments in the UK are limited and well known. The alternatives offered remain too wide or too uncertain.
- Litigants would be encouraged to pursue their action in courts with a reputation of being favourable.

The association, which represents more than 800 insurance companies transacting 95 per cent of the world-wide business of the British insurance market, says that its evidence is based on the combined experience of its members in the UK and U.S. It points out that premiums for UK policies are up to 20 times higher if endorsed to include cover in the U.S.

Braniff seeks more transatlantic routes

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRANIFF AIRWAYS, which flies between Dallas/Fort Worth in Texas and Gatwick, is seeking additional transatlantic routes.

Mr. Harding Lawrence, chairman of the American airline, said in London yesterday that he wanted Braniff to become the second operating U.S. carrier on the Boston-London route. It would fly to Gatwick. Braniff also wanted rights between Kansas City and Gatwick.

Mr. Lawrence said the airline would also bid for the Miami to London route if it was dropped by National Airlines, which may merge with Pan American.

He did not think the U.S. Government would permit Pan American to fly the route if it took over National.

"We believe we would be the right airline for that route," he said. "It would enable us to link Miami-London with our existing routes from Miami to South American cities."

Mr. Lawrence said Braniff was pleased with the high level of airport facilities at Gatwick. Gatwick was clean and comfortable, with good communications to the centre of London. But if the airline was awarded the Miami route, it would also be interested in flying to Heathrow, as National does.

Braniff was happy with Concorde, in spite of fuel prices, which had soared by 60 per cent in the first seven months of this year.

Late start

The project has already cost more than £25m and progress has been delayed by trade union boycotts.

Trials on the London to Glasgow route started late and the train, which should have entered service in the spring, may not start service trials until next year.

The trains may cut the London to Glasgow travelling time by as much as an hour, although there are no plans to run the advanced trains at their full design speed of 150 miles an hour.

Signalling equipment would have to be modified in an expensive additional investment programme, and the benefits of attracting more passengers are not thought to be sufficiently great to warrant the extra energy costs of travelling at more than 125 miles per hour.

Alvis industrial action 'may lead to lay-offs'

BY ARTHUR SMITH

ALVIS, the profitable BL military vehicle subsidiary, has warned its workforce that continued industrial disruption could endanger jobs.

Major-General Alfred Lewis, Alvis' managing director, has written to all 1,880 employees at Coventry outlining serious problems facing the company.

He said production during the past two to three months had been "deplorable." A series of disputes, in most cases affecting

a small number of workers, had hit output.

"Short-term gains are quickly extinguished and loss of production results in greater costs, loss of customer confidence, and far greater difficulty in gaining new orders. In short, it places the whole future of the company in jeopardy and undermines security of employment."

Alvis was suffering financial penalties because it was so far behind promised delivery dates.

Ban on tear gas capsules

MRS. SALLY OPPENHEIM, Minister of State for Consumer Affairs, has placed a Prohibition Order before Parliament to prohibit the supply of tear gas capsules designed to afford amusement by causing discomfort through tear-inducing properties.

Widespread concern has been expressed about these capsules the contents of which, if inhaled into the eyes, could cause damage sight permanently.

The order will come into force on August 30.

Plessey accused of training South African military

FINANCIAL TIMES REPORTER

PLESSEY, the UK electronics company, has been training members of the South African Defence Force in Britain, the British Anti-Apartheid Movement claimed yesterday.

It has sent a letter of protest to the Foreign Office asking for an immediate investigation into the allegations that Plessey has been teaching the use of an American computer system to South African personnel.

The computer system is part of radar tracking equipment which is expected to be installed in the Northern Transvaal.

Mr. Mike Terry, a spokesman for the Anti-Apartheid Movement, said the supply of computers could be in breach of Britain's restrictions on the sale of military equipment to South Africa. He said while the U.S. also

bans the export of computers likely to be used by the South African army or police.

The Anti-Apartheid Movement believes South Africa is updating its radar equipment and that Plessey's system will be installed as part of Project Nassau, an important part of the country's defence system.

The movement feels that the presence of South African military personnel in Britain for training would be "in direct conflict with undertakings by the British Government that all forms of co-operation have ceased."

The Foreign Office said yesterday that the letter of protest has not been received. Plessey would not comment on the claim.

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Airports show passenger increase of 7.7%

BY OUR AEROSPACE CORRESPONDENT

THE NUMBER of passengers using the seven airports run by the British Airports Authority rose by 7.7 per cent during June, to nearly 4.1m.

For the airports in the South-East—Heathrow, Gatwick and Stansted—the rise was 7.4 per cent, to more than 3.5m passengers.

This growth would have been higher, says the authority, had it not been for the one-day strike of civil servants during the month, and the grounding of the DC10s, which both slowed the rate of expansion.

For the 12 months to the end of June, the increase in passengers using the seven airports—Heathrow, Gatwick, Stansted, Prestwick, Glasgow, Edinburgh and Aberdeen—was 10.4 per cent, to a total of nearly 4.1m passengers.

At Heathrow, Gatwick and Stansted alone, the growth over the year was 13.1 per cent, to a total of just under 3.8m passengers.

Car parking charges at Heathrow and Gatwick are to rise by up to 25 per cent to meet rising costs.

At Heathrow, the new charges for the short-term Central Area car parks will start at 25p per hour, and rise to £7.20 per day. Long-term parking on the airport's perimeter will go up by 30p to £1.50 per day.

At Gatwick, short-term parking will be 15p for the first hour, rising to £2.50 for 24 hours. Long-term parking charges will be £1.25 per day.

Writ against Egyptian hotelier

A HIGH COURT writ claiming £FFr 5m (£306,122) in unpaid bills for FFfr 58,575m (£9.5m).

Mr. Cohen's solicitors, Kingsley Napley, confirmed yesterday that the writ had been served upon Mr. Fayed claiming a "substantial amount of unpaid commission and interest upon the sum due to Mr. Cohen upon the sale of the hotel."

June beer output falls

POOR WEATHER led to a fall of almost 1 per cent in beer production for June, according to figures from Brewers Society yesterday.

Production in June was 3.9m bulk barrels, a drop of 0.9 per cent on the June 1978 figure. Production in the first six months—of 20.1m barrels—increased by 1.3 per cent over the same period last year.

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Merchant fleet shrinking

BY LYNTON MCLAIN

THE MERCHANT fleet continued to fall in size last year although freight rates were higher and fewer ships were laid up. Mr. David Ropner, president of the General Council of British Shipping, said yesterday.

The tonnage of the British fleet has fallen by 20 per cent in four years to less than 40m deadweight tons (dwt).

Many older ships have been scrapped or sold to developing nations, as low freight rates made them uneconomical to operate under the British flag with British crews.

Mr. Ropner, launching the latest British Shipping Review, said that the industry had been through "the most severe depression since the 1930s." It had damaged freight rates and for the first time had pushed Britain's Sea Transport Account, as defined by the Government, into deficit for the first time.

The account covers all that Britain pays for shipping. Last year it showed that the country paid £289m more than it earned from shipping. That compares with a surplus of £21m in 1977 and £56m two years earlier.

Nevertheless, the net contribution to the UK balance of payments, largely receipts from

abroad, by the UK shipping industry exceeded £1bn in 1977, the latest available figures.

The depressed performance is a direct result of the slump in world trade at a time when the world fleet nearly doubled in size. Seaborne trade in ton-miles grew at an average of 13 per cent a year in the nine years to 1973.

After the Middle East war and oil price rises, however, growth plummeted to 1.5 per cent a year on average to last year.

But in the eight years to July last year, the world merchant fleet doubled to 650m dwt, with many of the vessels ordered before the trade slump affected freight rates.

Now, however, the prospects for deliveries of new ships to expand the British registered fleet are dismal. The council expects a mere 135,000 dwt of ships — half of one super-tanker — to be delivered to the fleet next year.

That compares with the 4m dwt delivered in 1973. A million tons may be delivered this year, although there is little prospect of the vessels being fully used.

Mr. Ropner said that the tail-off in deliveries would follow a

"massive fall-off in capital investment by British ship-owners by next year."

In the 1970s, total fixed capital spending by the industry has exceeded £1m a day. That has helped create a young fleet, with more than four-fifths of British tonnage less than a decade old.

Recently, however, freight rates have risen substantially in the dry cargo and tanker markets, and greater returns and fuller use of ships may result.

Reasons include increased chartering of grain ships to

counter the poor Soviet harvest, and developments in oil supply and demand.

Mr. Ropner said that it was too early to talk of a sustained upturn. He said that the British fleet operated with some advantages, including "access to a sophisticated capital market, good management, a range of ships and a good relationship with the Government."

There was no magic safety net to preserve ships or jobs, however, if the industry's advantages were cancelled out by excess operating costs and over-heads, he added.

U.S. attacked over shipping

MR. BRUCE FARTHING, a director of the General Council of British Shipping, said yesterday that British relations with U.S. shipping authorities had reached rock bottom.

He said that the U.S. had no shipping policy, the Administration in Washington was chaotic, and relations with Britain and other shipping nations were extremely difficult.

Matters came to a head in June when a Federal judge fined seven international ship-

ping lines and 13 executives a total of \$6.1m in the first antitrust indictment in the shipping industry.

Lines were accused of conspiring to fix rates for container trade between the U.S. and Europe, a practice permitted in Britain. Atlantic Container Lines and Dert Containerline of Britain were among those fined.

Mr. Farthing said that the very low level of relationships might precipitate inter-Government talks in the autumn.

Delay job cuts, yard urged

By Our Belfast Correspondent

HARLAND AND WOLFF, the State-owned Belfast ship-builder, will meet the Confederation of Shipbuilding and Engineering Unions today to give reasons for its proposal to cut 630 jobs.

The confederation, which called for the talks, will ask the management not to implement the redundancies in the autumn as planned, but to wait for six months to see if better productivity levels can be attained.

The union leaders believe that by next March the shipyard's 8,000 labour force could be reduced by about 1,800. They will ask Harland and Wolff for estimates of likely cuts over the next year.

The present order book will be completed by late 1981. With Government aid to the company limited to £22m in this year, Harland and Wolff is anxious to reduce the labour force to a realistic level as soon as possible.

Health group's removal is warning to others

BY PAUL TAYLOR

THE REMOVAL of powers from Lambeth, Southwark and Lewisham health authority members is clearly intended as a warning to other potential over-spenders in the health service.

The action, taken by Mr. Patrick Jenkin, Social Services Secretary, is seen as a warning to other potential over-spenders in the Health Service.

It was the first time that emergency provisions of the 1977 Health Service Act had been used. Mr. Jenkin made it clear that all health authorities should accept the effects of the £30m to £100m spending squeeze, which he recently announced in the Commons.

The members of the area health authority in South London include a Labour Government-appointed chairman and representatives from the three Labour-controlled councils.

All the 90 area health authorities in England and Wales face belt-tightening under the Government's programme. But the problems are more difficult for the London health authorities particularly perhaps Lambeth, Southwark and Lewisham.

While London authorities are generally "overfunded," they are responsible for supporting the city's 12 teaching hospitals. Lambeth, Southwark and Lewisham has three teaching hospitals in its area.

Finances are distributed between health authorities on a population basis. As the population is declining in the Lambeth, Southwark and Lewisham area, the health authority has funding problems.

These came to a head last year. The South East Regional Health Authority, the parent body which distributes health service funds between five competing area authorities, decided that Lambeth, Southwark and Lewisham was receiving between £27m and £35m too much under the resource allocation formula.

The Regional Health Authority planned to reduce the area's allocation by between £5m and £12.5m by 1987-88. The savings would be made available to the "poorer" areas, such as Kent and East Sussex.

The regional authorities proposed a reduction in the

Lambeth, Southwark and Lewisham allocation of £1.8m in 1979-80 and £1.2m in 1980-81. The area refused to accept the cuts and appealed to Mr. David Ennals, the former Social Services Secretary.

In July, 1978, Mr. Ennals ordered the area to reduce expenditure by £3m in 1979-80, but this was not carried out. The area was destined to overspend in 1978-79 by about £5.3m. In December, the area imposed a £1m cut, leaving it with a £4.3m "overdraft" to be paid back in 1980-81 and 1981-82.

The area started the current financial year with a spending allocation of £138m. But it planned to spend £140m. The Government's decision to impose a spending squeeze on health authorities meant the area would have to make a further £3m saving on top of the £2m budgeted overspend to stay within cash limits.

The prospect of making £5m cuts in the seven remaining months of the financial year proved "unpalatable" to a majority of the members of the area.

OTHER MEN'S JOBS: PILLOW STUFFING

Fred's factory featherbeds the nation

NAIVELY, I had expected a sort of feathery blizzard, an industrial scale pillow-fight. But there was only the faintest drizzle, blurring the atmosphere inside Fogarty Furnishings feather factory at Boston, Lincs. The washers, spinners and driers there set up a concatenation of clatterings strangely at odds with the delicate product that fluttered from the end of the "purification" line.

But then the soggy plumage of wet-plucked broiler chickens needs a thorough going-over to transform it into stuffing fit for pillows, quilts and duvets.

Before the laundered feathers

can be used they must be sorted. The natural blend on a chicken's chest has to be adjusted to provide maximum support in pillows and maximum-insulating powers in quilts.

In a process enchanting in its simplicity, feathers are blown over a series of open-topped boxes, and on the principle that the lightest will fly furthest in a gentle breeze, the feathers sort themselves out. The heavier quilts fall into the first boxes while the tiny downy clusters settle in the last.

Processing is also necessary, however, to imbue in the plumes the special spring needed to prevent the sleeper's

head from sinking through his shoulders. British chickens are slaughtered when they are barely fledged. Since their feathers have no natural curl they must be ground between contra-rotating plates to make up the deficiency. The crimping machine, exuding an odour reminiscent of singed sideburns, also boosts the feathers' filling power by 40 per cent.

British duck feathers, from birds killed at about five weeks, are also a little short on spring, and compare badly with imports from the Far East, China in particular.

The processors prefer duck feathers from regions where peasants control agriculture, where birds and their plumage are allowed to grow to maturity before being sent to the pot. Imports arrive in tightly wadded bundles little bigger than a hay bale, which after processing fluff out to fill almost 100 quilts at the standard stuffing rate of 4 lb a time.

Duck feathers alone, unmixed with chicken, make for luxurious and relatively costly products. Dearest of all are quilts and pillows filled with down—the fine, quill-less filaments that keep ducks warm inside their water-proofed over feathers. A white goose-down pillow retails for £50 to £60 compared with £35 for the basic chicken product.

But the rewards for such extravagance are slight in terms of comfort. A down pillow lacks the supporting qualities of one containing "springs" of quills. As well as sinking through to the mattress, the sleeper's head is likely to be quickly soaked in perspiration. Down's supreme heat-retaining qualities are better suited to high-altitude flights over the



Very ticklesome work, handling feathers.

Arctic regions than a stuffy British bedroom.

Down from the renowned elder duck is likely to make for even clammy nights. But since it retails at about £80 a pound, it falls beyond the buying power of all but the most dedicated snob.

This most delicate of feathers is collected from the nest-linings of rare elder ducks which roost in the cliff top niches of Iceland and Northern Canada. Supplies are also limited by the protected status of the elder duck and the species' inconvenient habit of dying at sea, where its feathers are past retrieval.

Fogarty seldom has more than a few kilos on hand at any

time and finds little use for it in day-to-day operations.

As in many other industries, the introduction of synthetics has made a considerable impact on duvet and pillow making. But although new plant has been installed wadding and packing light-as-air skeins of polyester fibre, feathers remain the mainstay of the Fogarty filling business.

Fibres and foams have many excellent qualities, especially for people with allergy problems, but to manufacture a substitute with all the characteristics of a feather would demand technology on a level comparable with that required to synthesise a snowflake.

Watching machinists each stitching 2,000 to 3,000 pillow

cases or "ticks" a day, seeing the stuffers rattling them off the line and the finishers bashing them into shape like so many frenzied bed-makers, raises the question of where they all go.

The small export market is not much exploited because the high volume-to-weight ratio of the finished product makes for excessive shipping costs.

Newly-established households provide a steady market, especially during the spring wedding season, but most of the 3m pillows a year sold by the company are bought on impulse.

Mr. Fred Townsend, managing director of the feathers and filled products division, says that after about five years use pillows lose their resilience, and respond only feebly to increasingly vigorous poundings and "fluffings-up." This tends to prompt an examination of the household's pillows and a trip for replacements.

While it is difficult to find much room for expansion in the pillow market, the rapid growth of duvets or continental quilts sales has opened up new vistas for feather processors.

Fogarty's made its first duvet in 1952 and had to wait until 1969 for the idea to catch on. Since then growth has been rapid and it is estimated that 25 per cent of the UK population now use them. Compared with 85 per cent in West Germany and 100 per cent in Denmark, this leaves plenty of room for growth.

Happily for the manufacturers, the chicken industry keeps on growing to maintain supplies of raw materials. The farmers are glad of the extra profits to be made from the by-products of their by-product. Feather waste and dust, collected after the sterilisation and sorting processes, contains 88 per cent protein making it an ideal feedstuff.

Everyone, in fact, has cause to be happy with the characteristics of a feather with the exception of the unsuspecting broilers.

This midweek series on unusual jobs is due to be resumed next Tuesday with: Baspipes making.

Education standards 'can be preserved'

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

EASING CENTRAL controls over local authorities should enable them to cut educational spending by 5 per cent without reducing essential standards, Mr. Mark Carlisle, Secretary for Education and Science, said in London yesterday.

Legislation would be introduced in the autumn to relax Whitehall regulations governing school meals, milk and transport, he added.

He estimated that the resulting flexibility would enable local authorities to save about £200m on those services alone.

Mr. John Horrell, chairman of the education committee of

the Association of County Councils, said that the change might raise the price of a school meal — 30p from September — to about 55p next year. However, he believed that "the core of the education service" could be preserved.

Some staff redundancies might be necessary, but Mr. Horrell hoped that those could be achieved by not replacing employees who left non-essential jobs.

"It is a question of choosing the correct way to maintain the quality of the service and it will be up to us to make decisions as to how this will best be done," he added.

Butter switches to metric packs

BY OUR CONSUMER AFFAIRS CORRESPONDENT

BUTTER, WHICH has retail sales of more than £450m, is to switch to metric pack sizes. From August 26, all pre-packed butter sold in shops will be in metric quantities, the Metrication Board said yesterday.

The half pound butter pack will be replaced by a 250 gram pack, and a 500 gram pack will replace the 1 lb size. The metric packs weigh about 10 per cent more than the sizes they replace and prices will rise to cover the extra amount.

Margarine, which started to move to metric sizes earlier this year, will also have to be sold by retailers in metric sizes from August 26. Margarine manufacturers started switching to metric sizes earlier than butter producers because of margarine's longer shelf life.

Mr. Max Wood, chairman of the Metrication Board, said yesterday that the Board's policy was usually to seek assurances from manufacturers and producers that

weight for weight their prices remained the same during the change-over. However, he said that this was not possible with butter due to "keen price competition plus the higher EEC subsidy and the recent devaluations of the Green Pound."

But Mr. Wood added that "members of the Association of Butter and Cheese packers, who are most affected by the change, have agreed not to increase their packing charges while butter is changing over to metric sizes in the shops." Packing accounts for about 16 per cent of the total price.

Tolls increased

MR. NORMAN FOWLER, Minister of Transport, approved increases in Severn Bridge tolls. They will take effect on Wednesday, August 29, when the toll for a car will become 30p, for a motorcycle 10p, and for coaches and lorries 40p.

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Industry caught in profits decline

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE PROFITS performance of British industry has worsened considerably since the early 1960s and has been relatively poorer than that of other major industrial countries, according to papers submitted to yesterday's meeting of the National Economic Development Council.

The papers — from the National Economic Development Office, the Department of Industry and the Confederation of British Industry — discuss recent profit trends, the causes and consequences and possible policy options. Some new international comparisons are included.

The share of profits in total domestic incomes fell from an average of 15 1/2 per cent in 1955-1959 to a little more than 5 per cent in 1974-77. There was only a slight rise to between 6 and 7 per cent in the past two years. This is very low by past standards, since even during the 1930s the share did not fall below 8 per cent.

These figures show gross trading profits of industrial and commercial companies (excluding North Sea oil) less stock appreciation and capital consumption at replacement cost as a percentage of total domestic income after similar adjustments.

Real rates of return have also declined sharply from the 10 per cent plus of the late 1960s. They reached a low of 3.5 per

cent in 1975 and rose slightly to 4.7 per cent last year. These are gross trading profits of industrial and commercial companies (excluding the North Sea oil) less stock appreciation and capital consumption as a percentage of net capital stock.

The CBI warned in its Economic Situation Report earlier this week that the rate could fall to 3 per cent at best this year, with a further probable decline in 1980.

The Department of Industry paper highlights the UK's poor international record, quoting and up-dating a study produced by Professor C. P. Hill of the University of East Anglia for the Organisation for Economic Co-operation and Development. The data has to be treated with caution, but the trends are clear. When profits levels are compared with value added the UK compares poorly. Although many countries have experienced a falling trend, UK figures for industry, plus transport, have been the lowest throughout almost the whole period. They have fallen more steeply since 1973 than those of Britain's competitors.

It is more difficult to be sure of comparability when measuring capital stock and rates of return. The broad conclusion is that most countries have shown a falling trend. For

INTERNATIONAL COMPARISONS OF PROFITABILITY

1: Profit shares for industry and transport sectors (net operating surplus as a percentage of net value added in these industries)					
	Canada	U.S.	Japan	W. Ger.	UK
1955-59	14.3	24.7	33.9	34.0	22.3
1959-62	22.7	26.2	37.3	34.0	22.3
1963-67	29.6	26.9	33.9	30.0	20.9
1968-71	27.0	23.5	34.1	28.5	15.4
1972-75	28.1	22.3	28.1	20.7	10.9
1975	25.3	23.2	26.3	23.0	13.0
1976	26.0	23.9	25.4	—	16.0
1977	26.2	23.7	—	—	—

2: Net rates of return (net operating surplus as a percentage of net capital stock of fixed assets except land)					
	Canada	U.S.	Japan	W. Ger.	UK
1955-59	14.3	23.0	14.1	19.0	10.6
1959-62	11.4	21.9	19.0	26.0	10.6
1963-67	11.8	23.9	17.9	20.0	10.1
1968-71	10.2	18.8	20.0	19.0	8.5
1972-75	10.4	16.5	11.8	14.0	5.5
1975	8.5	16.5	10.5	12.0	3.5
1976	8.8	18.1	—	13.0	4.3
1977	8.7	—	—	—	5.2

Sources: Professor Hill's OECD study and Department of Industry

manufacturing industry the decline is particularly steep in the UK and Germany.

A comparison of UK and French rates of return in manufacturing industry (excluding food, drink and tobacco and metal manufacturing) in the period 1956-75 suggests that the trend in France was slightly upwards. At the beginning of the period, UK rates were only slightly below those in France.

But by 1970 they were under half the French level.

The Department of Industry paper discusses a number of possible causes — such as the impact of continuing investment, a fall in the cost of capital, increasing international competition and the growth of the public sector.

"It is difficult to separate the decline in the British profit-ability and profit shares from

other aspects of our poor economic performance; and falling profitability should perhaps be seen as a symptom as well as a cause of that performance," the paper concludes.

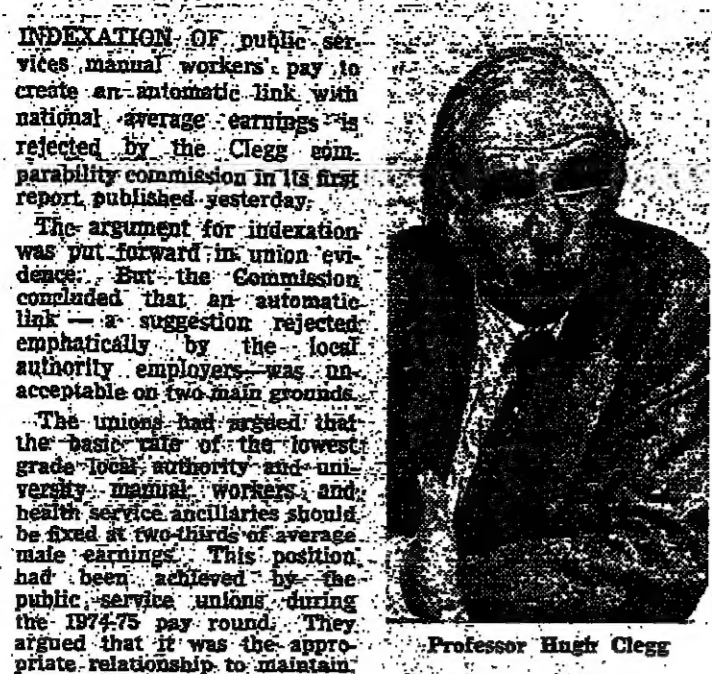
The NEDC paper concludes that the low level of factory productivity lies at the core of the problems of the particularly low rate of UK profit. The quality of the existing capital stock affects that productivity. Policy measures need to be directed to a qualitative improvement of the capital stock (making it more up-to-date and relevant to the market). A great deal of investment in replacement and modernisation is required, but this is at a time when the dominant motives to invest are weak.

Most of the broader policy options available to the Government have been tried before without success and the world environment is now much less propitious than it was earlier.

The CBI paper covers the same ground as its Economic Situation Report and trends survey. The main conclusion is that "the movement (fall) in real profitability between 1978 and 1979 is a turning point which, on the evidence of past behaviour, is likely to be followed by a downturn in investment with all that may mean for the future of jobs and standards."

Public service pay index rejected

BY ALAN PIKE, LABOUR CORRESPONDENT



Professor Hugh Clegg

INDEXATION OF public services manual workers' pay to create an automatic link with national average earnings is rejected by the Clegg comparability commission in its first report, published yesterday.

The argument for indexation was put forward in union evidence. But the Commission concluded that an automatic link—a suggestion rejected emphatically by the local authority employers—was unacceptable on two main grounds.

The union had argued that the basic rate of the lowest grade local authority and university manual workers and health service ancillaries should be fixed at two-thirds of average made earnings. This position had been achieved by the public service unions during the 1974-75 pay round. They argued that it was the appropriate relationship to maintain.

One obstacle to this is that average made earnings already include overtime, shift work and incentive payments, says the Commission report. The unions were proposing that the public service basic rate, from which overtime and bonus payments were calculated, should be based on a rate which already excluded these elements in other industries.

If other workers put in more overtime or increase their incentive earnings by working harder, employees in these three reference groups (local authority, university and health) would receive higher pay without working harder or longer, indeed regardless of whether they worked overtime or under a bonus system at all. It was not likely that employees elsewhere would accept this state.

The other objection to indexation was that although the public sector jobs under review possibly reflected the same range of skills as those among manual workers elsewhere in industry, they did not do so in the same proportion. There was a "much lower" proportion of skilled workers in the groups under examination than among manual workers generally.

The commission rejected indexation and approached its task instead on the basis of a

	per cent	£m
Local authority	10.9	236.5
Health service	10.0	70.3
University	6.3	1.9
Ambulance	23.0	18.6

Although ambulance quality for the biggest awards, the commission rejects the union argument that their pay should be settled in relation to the police and fire brigade. Emergency work, says the report, is only part—and by no means the most time-consuming part—of the work of each of the three services.

Comparison cannot leave aside the other aspects; nor can it ignore that more appropriate comparisons for some of these other aspects may be found elsewhere than in the police or fire services.

On the general question of the cost of its proposals, the commission says that it believes the full cost will be substantially below the gross earnings figures if managers in the local authorities, health and ambulance services "take the opportunity, as we have suggested they should, to tackle inefficient practices intended to boost earnings which can no longer have any justification" once our recommendations are in force.

Assessment

The commission goes on to recommend joint examination by unions and management on a series of other issues including "London weighting; long service supplements; the NHS ancillaries' negotiating structure; introduction of a common settlement date for university manuals; the retirement date for ambulance; and incentive and overtime arrangements in some areas.

It is intended that the workers involved should receive 50 per cent of their comparability awards this month and the remainder next April. The commission suggests that it may be appropriate to pay amounts of £2 or less in full now.

The commission says in its report on university technicians, also published yesterday, that it does not at present have the basis for a full comparative assessment of their pay. But there is sufficient reason to justify recommending an increase of 13 per cent at all levels in the grading structure as an interim measure pending a further inquiry.

Print union at Times turns down new deal

BY PHILIP BASSETT, LABOUR STAFF

REPRESENTATIVES of 2,500 members of the National Society of Operative Printers, Graphical and Media Personnel at Times Newspapers yesterday rejected joint union and management proposals in their present form for a resumption of work.

There was doubt about the strength of the rejection, though, with national officials of the union claiming that a chapel representatives had put forward a list of alterations to the present proposals and some chapel officials claiming that a complete new package had been drawn up.

NATSOPA London branch officials are now studying the chapel officials' proposals. One branch official said yesterday that the alterations were not fundamental.

proposals when it sends them out for consultation.

The chapel representatives were also insisting that the decision on whether to accept an agreement should rest with the chapel rather than be taken by national executives, to ensure that chapel feelings were not overridden.

Some more militant chapel officials said, though, that the fathers of the chapel had voted unanimously for a completely new set of proposals, rejecting such elements as independent arbitration on any difficulties and joint in-house committees and calling for a return of "negotiations conducted in a traditional manner."

NGA move

They said that there would now not be any chapel meetings next week to discuss the joint proposals since the new proposals from the Focs would have to go back to the union general secretaries and to Times Newspapers' management.

The national council of the National Graphical Association yesterday accepted the joint union-management proposals.

The NGA will recommend the formula to its Times Newspapers members at a meeting on Monday.

Insistence

He said that the chapel officers were insisting that payments of £500 should be made to every member of staff, though the unions and management have agreed that the payments should be based on the normal number of shifts worked per week.

The NATSOPA executive which is due to meet next week is unlikely, however, to recommend acceptance of the

Talks halt court sittings

BY OUR LABOUR STAFF

MAGISTRATES court sittings in Merseyside, Hampshire and Sheffield were cancelled yesterday when members of the Association of Magisterial Officers held staff meetings to discuss industrial action in support of their 20-25 per cent pay claim.

Mr. T. Gwyn Davies, chairman of the staff side of the joint negotiating council for magistrates court staff outside London, said the association held protest meetings throughout the country. These had considerable impact in Newcastle, Liverpool, Sheffield, Winchester and Cardiff.

The association's executive committee plans to meet in the next few days. Lightning strike action by the 4,500 members

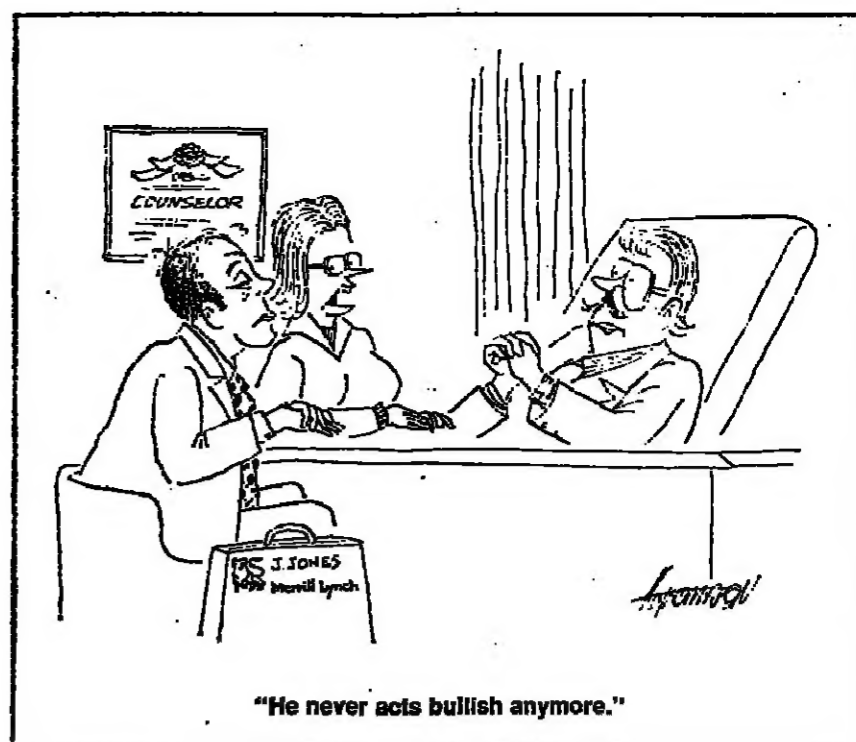
will be considered. Mr. Davies said the association would co-ordinate its action with London staff who have delayed their strike until after their separate pay talks on August 8.

The Home Office said the effects of the action had been patchy.

The management side of the joint negotiating council has offered a deal worth 12 per cent and a reference to the Clegg comparability commission to be implemented in full in January. No further pay talks are planned.

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ACAS drops Laker opinion test

BY PHILIP BASSETT, LABOUR STAFF

The Advisory, Conciliation and Arbitration Service has abandoned a recognition inquiry at Laker Airways after being unable fully to test opinion on whether they want to be represented by the Transport and General Workers' Union.

Similar inquiries have been abandoned at Gatwick and Manchester. The decision will add force to a warning last week from Mr. Jim Mortimer, the service's chairman, to Mr. James Prior, Employment Secretary, that the service could not satisfactorily operate the present statutory recognition procedures.

A report by the service on an application by the Transport and General Workers to represent Laker cabin staff blamed the company for its inability to proceed further.

Despite every effort on our part, the company declined to co-operate with us in carrying out our statutory duties, the report said.

Under the Employment Protection Act, the service must examine staff opinions before deciding whether to recommend recognition of a union. Normally it relies on employers' assistance to provide access to staff or their names and addresses.

In this case, the service took the unusual step of advertising to ask Laker employees to return a questionnaire on representation.

Transport and General officials sharply criticised the company's approach to industrial relations at the union's biennial conference last month.

Laker Airways said that it was

pleased at the ACAS decision, which would mean the effective end of the union's attempt to represent the company's cabin staff.

Reckitt staff group in vote to join ASTMS

A SENIOR management staff association at Reckitt and Colman, the chemicals and food group, has voted to join the 470,000-strong Association of Scientific, Technical and Managerial Staffs.

The Management Association of Reckitt and Colman has 650 members working in research, sales, production and computer areas as well as at the company's headquarters at Chiswick.

The ballot result announced last night was 71 per cent in favour of becoming a section of ASTMS. The staff association would retain autonomy within ASTMS.

Mr. Roger Lyons, ASTMS national officer, said several other staff associations were in negotiation to join the union. Talks had started with the Reckitt association last autumn.

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Mr. Roger Lyons, ASTMS national officer, said several other staff associations were in negotiation to join the union. Talks had started with the Reckitt association last autumn.

Bid to end ore terminal dispute

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE MOST concerted effort so far will be made today to resolve the inter-union dispute affecting British Steel's £100m Hunterston ore terminal on the Clyde.



Mr. Alex Ritson, executive officer of the Transport and General Workers' Union, will meet Mr. Bill Sims, general secretary of the Iron and Steel Trades Confederation, at the terminal.

They hope to work out a compromise over whether dockers or redundant steel workers should fill the 30 new jobs that the terminal will provide.

The conflict between the two unions has kept the terminal idle since it was completed last spring. The only ship to call there has been the Royal Yacht

Britannia, which brought the Queen Mother for a mock opening ceremony.

The dispute is costing British Steel £1.8m a month in interest charges and the loss of expected savings of £3 a tonne on importing ore for the modernised Ravenscraig steel complex.

The transport union claims that manning the modern unloading equipment is a new activity that should be defined as registered dock work.

The Confederation says that the work is the same as operating cranes, which its members now do at the General Terminus Quay in Glasgow, which is to be closed.

The British Steel Corporation wants to give the jobs to redundant steel workers, and has already sent some of them for training in Holland.

Boyd attacks engineering employers

By Our Labour Staff

THE ENGINEERING Employers' Federation has been accused of applying double standards between its own members and the amalgamated Union of Engineering Workers over the current dispute for an 280-4-week craft basic rate.

Sir John Boyd, the union's general secretary, writing in the AUEW's journal yesterday, said the EEF took a disproportionate amount of wealth out of industry in the form of profits, dividends, directors' salaries and other emoluments.

He said the Government's proposals to extend the concourse clause over people not wishing to join a union would throw open the chance for opportunists to seek heavy financial compensation from individual unions.

Union considers 15% offer for ITV workers

BY GARETH GRIFFITHS, LABOUR STAFF

AN ESTIMATED 15 per cent pay deal for staff at the 15 independent television companies will today be considered by the television committee of the Association of Cinematograph, Television and Allied Trades.

The union has already sent out details of the deal to branches, but without a recommendation. Negotiators failed to agree on the offer made on Monday by the Independent Television Companies Association.

Mr. Roy Lockett, ACTT deputy general secretary, could not comment while the offer was being discussed on whether surprise action would continue this week. He said the decision to take the action was made locally.

The two other unions involved in the ITV pay round, the Electrical and Plumbing Trades Union and the National Association of Television, Theatrical and Kine Employees, have both recommended acceptance of 15 per cent offer.

What does the future hold for Korea?

Will the development momentum be maintained? What are the problems and potentialities of doing business in Korea? What is the view of the world financial markets on the outlook for the developing industrial countries?

Relations, Commission of the European Communities; Minister Kim Won Ki, Minister of Finance, Seoul; The Hon William Gleysteen Jr, United States Ambassador to Korea; Mr Choong Hoon Park, Chairman and President, Korean Traders Association; Professor Noritake Kobayashi, Keio University, Japan.

These and many other questions will be examined and discussed at 'Korea in the 1980's' a conference to be arranged in Seoul on September 12 & 13, 1979 by the Financial Times and the Korean Traders Association.

Among the speakers will be Minister Hyon-Hwack Shin, Deputy Prime Minister and Minister of Economic Planning, Seoul; Sir Roy Denman KCB, CMG, Director General, External

If you, or your company, have interests in Korea, 'Korea in the 1980's' will give you a most useful insight into the future of this important area.

For full details of the agenda, and registration procedure, complete and return the coupon below without delay.

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A FINANCIAL TIMES CONFERENCE

Air travellers with opinions

The Heathrow Airport Consultative Committee gives advice on airport matters to the British Airports Authority who run Heathrow Airport. To help it do this, the Committee is now seeking two new Members to serve on the Passenger Services Sub-Committee.

Heathrow serves South East England generally and the Greater London area in particular. Members should therefore live in this area and travel through the Airport regularly on business or occasionally on holiday. They must be willing to attend meetings occasionally every two months. Out-of-pocket expenses are met and Members will be appointed for a two year period.

If you are interested in making a contribution to the affairs of Heathrow through joining this Committee, please write to:

The Secretary, Heathrow Airport Consultative Committee, 13 Argyle Road, West Meads, Wimbarn, Dorset BH22 0JX.

ABM: all the right notes

Michael Thompson-Noel profiles Allen Brady & Marsh

EARLIER THIS year, the irrepressible Peter Marsh, chairman of Allen Brady & Marsh, organised a champagne breakfast party to mark the 30th birthday of his partner, Rod Allen. Between them they own the bulk of the shares in what is Britain's fastest-growing advertising agency. It was the sort of party for which the advertising business is famous. The entire creative department was on hand. Tables groaned with birthday cake. Gifts were presented. And then, on the dot of nine, the Royal Artillery Band, no less, drew up in the street below and launched into a selection of the advertising songs and jingles—composed by Rod Allen—that have helped propel ABM into the list of top ten London agencies.

The ABM hit parade includes "I'm a Secret Lemonade Drinker" for R. White's, "That's the Wonder of Woolworth," Whitbread's "The Pint that Thinks It's a Quart," Toblerone's "Triangular Biscuits," plus the current melodies for Berger Paints, British Rail Sealink, Hepworths and Wrigley's gum.

What the agency has in store for the Midland Bank is a question exercising the minds of rival agencies, for in a move of the greatest significance for Allen Brady & Marsh, the Midland recently took its account away from its agency of 114 years' standing, Ayer Barker Hegemann, and awarded it to ABM, the jingle kings of EC4 (as they are inevitably but misleadingly described in the vernacular of the trade).

Next year the Midland Bank account will be worth £3m. ABM is still sometimes described as a song-and-dance shop, partly because of its ads, partly because of the theatricality and flair of its larger-than-life chairman, Peter Marsh: an ex-actor turned advertising powerhouse whose charm and bombast only rarely conceal one of the shrewdest minds in advertising.

The billings and growth record of ABM is little short of astonishing. In the financial year 1973-76 (Mr. Marsh became chairman in February, 1974), its media billings were £7.7m. The following year, £10.5m. In 1976-79, they rose 63 per cent to £21.5m and in the current year the agency is set for £35m. It is a devastating track record, though even Peter Marsh admits that the gain of

the Midland marks "the crossing of a Rubicon." The bank went out of its way last week to say that it had not only been impressed by the agency's creative proposals but by the depth and application of its market research and by its grasp of market conditions.

For a bank to say that of a "jingle shop" is significant indeed. "Our policy," Peter Marsh said this week, "is to make ABM the best-run, best-managed British-owned agency."

Peter Marsh: charm and bombast conceal one of the shrewdest minds in advertising

ABM has a very short client list. But it has some very big names. Apart from those already mentioned, they include British-American Tobacco, Cussons, Hanson Trust, International Stores, the recently-gained Provincial Building Society and Moulton. (It no longer handles R. White, and its Whitbread brands recently departed). The biggest spender is Woolworth, which bills more than £5m. More than half its 20 clients bill more than £1m.



We have no plans for going public. We have never used our profits to buy growth by acquisition. They have consistently been invested in our work and in our staff (now 206 in number, compared with 32 in February, 1974).

"Our next target is £50m worth of billings, and we're well on the way to that. Maurice Saatchi and I had lunch a year ago. He told me that before too long, Saatchi and Saatchi Garland-Compton would be the biggest agency in Britain, that we'd be No. 2 and that no-one had yet woken up to it." They have woken up now. The main Saatchi agency is breathing down the necks of the U.S.-owned Big Three (J. Walter Thompson, McCann-Erickson, and D'Arcy-McManus and Masius). And ABM has vaulted past more than half-a-dozen rivals in the past few months. Both Saatchi's and ABM are on the list of eight agencies at present vying for £5m to £6m worth of business from British Rail.

For an agency of its size,

product and all aspects of its market: a careful definition of the job the advertising needs to do, and then, and only then, the creative resolution: the powerful idea that relates the product to the target audience.

Peter Marsh and Rod Allen say that it is fatal to get too clever. Eighteen months ago they made a tour of Butlins in Bognor Regis in a bid to top up, as it were, on the attitudes and lifestyles of ordinary folk. "The Board laughed themselves silly but we learned an enormous amount."

As for the jingles, what could be more British? "Coach parties always sing," says Peter Marsh, "and lots of people in pubs like singing. We're plugging into that tradition. And a catchy tune can float ideas into people's minds in an easily digested way." (That's true, although when this correspondent once tried to order a beer at Heathrow by singing "The Pint that Thinks It's a Quart," he received a very old-fashioned look.)

The supreme driving force at ABM is the great showman himself, Peter Marsh. He has a chauffeur-driven Rolls and wears a great amount of jewellery. He sports a monocle. He has the drive and self-confidence of a very successful Northern businessman, and a Swedish egg-timer in his bathroom so he can time how long to take to clean his teeth.

He doesn't always win. Earlier this year he crossed swords with Alistair Mackie, director general of the Health Education Council, on the subject of cigarette advertising. It was important, said Mr. Marsh, that "self-opinionated arbiters" be prevented from deciding "what we should buy, what we should live and what information we should receive to help us make those choices." Mr. Mackie, furious with the advertising stance adopted by ABM for State Express 555 cigarettes, attacked an ABM advertisement entitled "The Right to Choose," and accused the agency of nauseous and self-regarding cant.

But whatever aspect of his business he is defending or explaining, there is no agency chairman in London who even remotely matches Peter Marsh for sheer bubbling enthusiasm. Thanks to him, it is not only impossible to dislike advertising; it is almost possible to like ads.

Planning's big one-day event

BY WINSTON FLETCHER

IF A PICTURE—as every raw art director negotiating a salary hike will vehemently insist—is worth a thousand words, then these days at advertising conferences a case history is worth a thousand theories. Adpersons seem to have suddenly discovered the Harvard Business School Method, and are embracing it with fervour.

At last week's gathering on the high-profile subject of account planning—a trendily called a one-day-event to differentiate it from old-fashioned conferences and seminars—the proceedings were littered with case histories: for Brooke Bond PG Tips, Black Magic, Guinness, Flat, Oxo, Campari, Krona, Karmine and the International Wool Secretariat, to mention but a few.

Indubitably the case histories, especially Collett, Dickinson and Pearce's lengthy Fiat exposition, were fascinating and educative. Above all, they demonstrated how complex, subtle and uncertain are the ways in which advertising works (and often fails). J.W.T.'s Judie Lannon, for example, disclosed that Guinness's efforts to attract younger female drinkers in the early 1970s proved largely unsuccessful because the advertisements strayed too far from the dark brown stout fashionable, and had thus appealed to fashion-conscious females who proved, predictably, fickle in their tastes.

Guinness's current women's magazine campaign, which positions the brand as the beer for women with character and individuality, appears to be achieving rather more success.

CDP's rendering of the Fiat story, given jointly by chairman and creative director John Salmon and planning and research director David Clifford, was particularly spellbinding as it appeared to mark a radical departure from that agency's traditionally rather secretive

stance. Messrs Salmon and Clifford seemed to be at pains to transmute their agency's reputation for mercurial, unplanned and unresearched creativity.

If that was their objective, they only partially succeeded. While Fiat's UK sales and market share have grown strongly over recent years, so have those of all the major foreign imported marques. Messrs Salmon and Clifford themselves admitted that in 1973-76, when CDP gained the account, Fiat's model range was comparatively poor, and that the vehicles had been greatly improved in the past couple of years. However, the real bug in CDP's story was that on many important rating scales, Fiat's image has either remained unchanged or, arguably, has changed for the worse—particularly on petrol consumption which perhaps explains the latest "It thinks there's a permanent fuel crisis" poster for the Strada.

To counter such arguments, the CDP men emphasised how all of Fiat's research showed their campaign to be the best-liked car advertising running; but that, unfortunately, is one of the question-marks that critics pose against CDP's work. As a Pearl's soap case history had shown earlier in the one-day-event, well-liked advertising is by no means always sales effective. Indeed, the reverse is frequently the case.

Nevertheless, despite these carps and quibbles, the CDP presentation indubitably established the Fiat campaign to be deeply embedded in research, planning and strategic analysis; in no way the whimsical bath-tub pourings of long-haired creatives with one eye on a trip to Turin and the other on the acquisition of a few creative awards with which to decorate their curriculum vitae.

These, and most of the other case studies, illuminated the ways in which advertising works.

They did not, unfortunately, throw much light on the supposed theme of the one-day event: the way that account planning works. None of the campaign histories deployed analytic, organisational or methodological techniques that were not available—and in common use—20 years ago, long before account planning, in its currently accepted sense, was invented.

This is hardly astonishing. Effective and successful advertising has always been thoughtfully and carefully planned. Even the most fervent advocates of the account planning system do not suggest that in the bad old days (before AP), all advertising was hopelessly haphazard.

Account planners, as event chairman Charles Channon stressed, represent a particular specialisation of function within advertising agencies: a fine tuning in agency organisation. The account executive's established role has been bifurcated. Within agencies employing planners, the account executive has become a pure contact man whose job is merely to cope with clients and act as a glorified traffic and progress chaser.

The account planner, in Mr. Channon's grandiose phrases, is the guardian of "the agency's prime learning process," the thinker and strategist "whose first responsibility is to the brand and not to the client."

Clearly this division of the account executive's traditional role has much to commend it. It introduces into the process of advertising creation an individual independent both of the client's personal prejudices, and of the daily hurly-burly which frequently leads to creative corner-cutting. Like most advantages, regretfully, the account planning

system also entails major disadvantages. First, it is inevitably expensive and rather slow. (One of its intrinsic purposes being to make account executives stop and think before they act). Thus it is far more useful and relevant to long-term brand positioning work than to fast-moving retail price-dealing, for example.

Significantly, all the speakers and case studies at the one-day event depicted classic manufacturers' consumer brand advertising. Industrial, direct response and retail advertising were not once mentioned, though Mr. Channon's chairman, Ann Burdus, redressed one crucial omission when she reminded delegates that international campaigns generally ride roughshod over particular agency planning, a truth of which Boase, Massman, Pollitt, arch-pragmatist of account planning, must be specially aware, following its recent loss of the UK Renault account to the car manufacturer's international agency.

Finally, and in some ways worst, the existence of an account planning system greatly belittles the job of the account executives; and account executives know it, and do not like it. Many really good account executives now shun agency operating account planning, since its basic premise argues unflinchingly that account executives, because they lack the time, the inclination, or the ability, are incapable of simultaneously thinking and doing.

Most successful businessmen, of course, are reasonably adept at both. In any case, it was not a problem to which the one-day event paid any heed. Those present were far too busy making amusing advertising tales of mystery and imagination. Winston Fletcher is managing director of Fletcher Shelton Delaney.

Interpublic pays \$40m for SSC&B

THE INTERPUBLIC group, already the biggest in world advertising, is about to complete the first stage of its take-over of the company's new super-conductivity suit limiter. Liquid nitrogen was also essential for pre-cooling the equipment.

Interpublic is planning a major corporate campaign via Saatchi and Saatchi Garland-Compton. No budget or date has been finalised, but the campaign will probably start early

next year and could be worth up to \$6m over three years. Latest MEAL figures for the April-June quarter show Saatchi's in No. 1 spot, up 30.2 per cent at £12.4m for that quarter.

DORLAND ADVERTISING is to handle a campaign for the Butter Information Council. Initial results are good, the spend could be £5m. Although the Post Office, Dorland's biggest client, has virtually suspended advertising, and although Keekitt and Colman last week abruptly moved five brands out of Dorland, the agency says it should still record a 45 per cent billings gain this year. It is handling the £2.25m launch of Now! magazine.

Technical News

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

PROCESSING

Copes with the vapours

PROBLEM VAPOURS that are frequently encountered in the chemical, pharmaceutical and other process industries can be handled without causing water pollution using a vacuum pump with a "once-through" sealing fluid system from Busch (UK).

The company claims superiority for the pump over existing types such as steam ejection equipment, liquid ring seal, rotary piston and conventional rotary vane pumps since all of these use a medium that is contaminated by the pumped vapour and might be corroded by it.

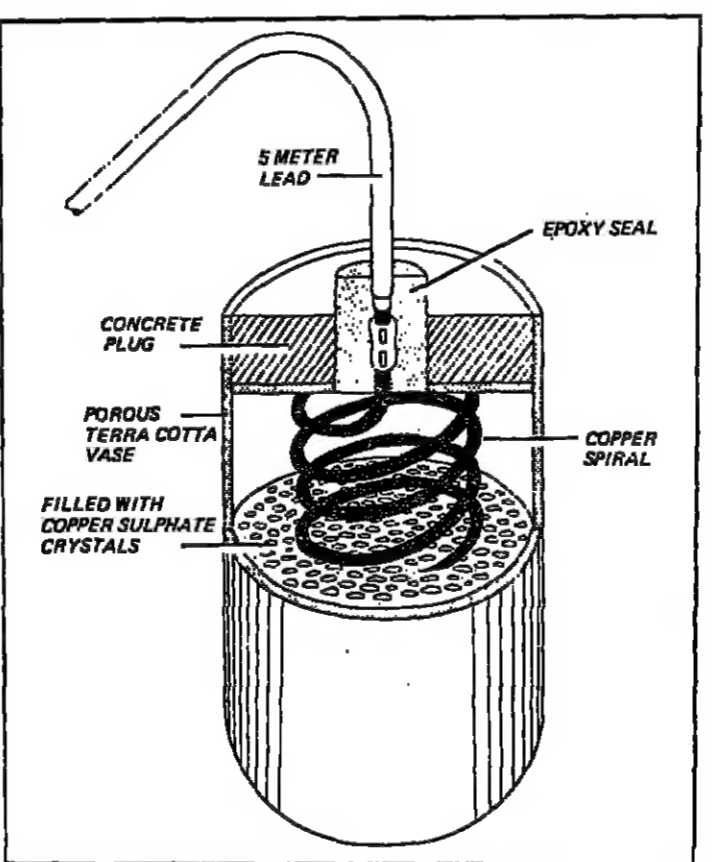
There is no oil sump in the design, which in single stage form has an ultimate vacuum of 40 mm of mercury (dropping to 0.5 and 0.05 mm for double and triple staging respectively). Instead, the pump has a once-through sealing fluid system that avoids pump chamber and oil sump contamination inherent in

conventional oil-sealed types. This, together with control of the pump operating temperature, prevents the condensation of process vapours in the pump, including those which can condense at temperatures as high as 120 deg C.

The once-through sealing system dispenses a minute but continuous flow of uncontaminated seal fluid into the pump chamber by means of a metering pump. This fluid is not used to lubricate bearings as well—its only function is to provide the vacuum seal between the vanes and the chamber wall.

About two litres per day are consumed, and the fluid is chosen so as to be compatible with the process vapours.

The vapours, never condensing, are swept out to the exhaust system where they can be recovered, collected and re-used, or disposed of without polluting water or air—advantages which Busch claims other vacuum pumps cannot offer.



Helps to control rust

UNDER DEVELOPMENT in Italy for some years, copper/copper sulphate reference electrodes are being marketed all over the world by MAPEL (Metal and Pipeline Endurance) of Stotfold, Herts, UK.

This new electrode is intended to be installed for the provision of a reference voltage to control impressed current cathodic protection equipment. It is also applicable to the monitoring of soil/steel potentials in inaccessible places—beneath storage tanks or around deeply buried piping.

In the cell, a spiral of copper

wire is surrounded by crystals of copper sulphate, the whole in a porous terracotta container.

Good copper-to-soil contact is provided and the hygroscopic action between the crystals in the container and the damp soil ensures that there is no leaching. Use of terracotta and the method of encapsulation ensure that the new units can be made at significantly lower cost than by other methods. A life of between 15 and 20 years is projected in average soil conditions.

MAPEL is at Taylors Road, Stotfold, Hitchin, Herts SG5 4AG. 0463 733035.

TEXTILES

More efficient looms

CONSIDERABLE effort and expenditure is being devoted to many different ways of making looms more efficient and more productive. Some concepts, such as that of multi-phase weaving, are technologically advanced but likely to be a long time before they are fully commercial.

Another approach to loom design is being suggested by a Swiss loom maker. This is described as bi-phase weaving and in essence, it is based on having two looms mounted side-by-side with a driving unit for a double-length rigid rapier positioned between them. Thus, as the rapier advances across the shed of one cloth it is withdrawing from that of the opposing cloth.

The loom is being built commercially by Adolph Saurer

(British agent: Crowth, Silverdale Drive, Thurston, Leicester LE4 8NP, Tel. 053 723 3311). The thinking behind the development of the Model 500 loom was to combine a high weft insertion rate with a slow unwinding speed from the cones of weft supply. It is possible to operate the machine at a weft insertion rate of some 1100 metres/minute of twin fabric widths of 185cm.

It has been estimated by Saurer that about 75 per cent of all fabrics now made can be woven on this new machine which will weave such fabrics as calico, denim, corduroy, etc., with only a tappet motion. The range of yarn it can handle ranges from Nm8 to Nm 135 (say 4.8s to 90s c.c.).

CRYOGENICS

Handling liquid helium

JOINT OPERATION between BOC and Parsons Peebles, Edinburgh, Lothian, has proved that liquid helium can be delivered and used in much greater quantities than previously.

Parsons Peebles, part of Northern Engineering Industries and one of the leading cryogenic research groups, required 3,500 litres of liquid helium over a five-day period. It was needed to carry out tests on the company's new super-conductivity suit limiter.

Liquid helium has a temperature of minus 269°C. It is also the most difficult liquid to handle in large quantities without using expensive specialist equipment and is usually only supplied to users in dewars

containing less than 500 litres. BOC Special Gases accepted the challenge and guaranteed Parsons Peebles delivery of a 3,500 litre container to the Edinburgh site. It was one of the largest consignments ever supplied for cryogenic use in the UK.

BOC Edinburgh delivered the liquid nitrogen for pre-cooling. Then BOC Special Gases, Leeds depot, supplied the liquid helium and transfer equipment. Success of the operation proves that liquid helium can be delivered on a large scale and without using expensive handling equipment. Already a second delivery has been arranged with Parsons Peebles and other companies have shown interest.

Further details on 01-749 9999, Fimmersmith House, London W6 9DX.

INSTRUMENTS

Finds vacuum system leaks easily

VARIAN claims that in the 936-40 mass spectrometer leak detector just introduced it has the smallest, most compact high sensitivity instrument of its kind.

Weighing only 25 kg and measuring 210 x 350 x 500 mm the unit is based on the helium diffusion principle in which a spectrometer tube is vacuum connected to the system under test, which could range from a distillation tower to a cooler or electron beam welder. Then, helium is sprayed over the suspect areas so that, if there is a leak the gas molecules will find their way to the spectrometer tube and be detected, giving a measure of the leak size.

Unwanted gases and contamination are prevented from reaching the tube using the company's Contra-Flow principle which takes advantage

of the differences in maximum pressure ratios produced by the unit's diffusion pump for gases of different molecular weights. Helium, with a very low ratio, diffuses through the pump to the tube where it is detected. Other gases with larger molecular weights are trapped and filtered out by the diffusion pump.

The 936-40 has a new design of pump in take advantage of the principle and also acts as a buffer, protecting the tube from pressure bursts. Varian says it is capable of performing at pressures 1,000 times greater than conventional leak detectors.

Helium can be detected to very low levels and the response time is only two seconds. More Varian S.p.A., Via Frielli Varian, I-10040 Leini, Turin.

Useful temperature gauge

LATEST electronic thermometer from Polkinghorne has two ranges and can work from any type of thermocouple or be used as a dc millivoltmeter. A simple push button control produces a range of either -50 to +1100 degree C or to +199.9 degree C, accuracy being no worse than 0.2 per cent of the reading plus or minus one degree.

Known as the model 558, the instrument has a 1-inch high liquid crystal display (34 digits), with polarity indication. Depression of the appropriate button makes the instrument display in millivolts the actual

output from whichever thermocouple type is connected to the terminals. Then, the "amb" button is pressed to obtain automatic cold junction ambient compensation in the range 0 to +40 degree C. The instrument displaying in degree C the temperature of the cold junction of the terminals to which the couple is connected. Thus, knowing the reading of the cold junction, it is possible to calculate from tables the actual temperature of the hot junction.

More from the company at Lilliput Industrial Estate, Workington, Cumbria (0900 3521).

CONFERENCES

Electronics in vehicles

IT IS now generally agreed in engineering circles that the inevitable dwindling of the world's oil supplies will face professional engineers and technicians everywhere with extraordinary problems to tackle in the next few decades.

Not least will be that of the road vehicle, and the forthcoming Second International Conference on Automotive Electronics at the Institution of Electrical Engineers is bound to assume of greater than usual significance.

Taking place from October 29 to November 2 at Savoy Place in London, it will consist of 60 papers organised into 14 sessions covering intelligent engine controllers, ignition control, fuel and engine management, vehicle radar and communications, wiring and several other topics.

There will be a display of equipment in London and a technical visit to the Motor Industry Research Association at Nuneaton on the final day. Programme and registration forms from the IEE, Savoy Place, London WC2R 0BL (01-240 1871).

MATERIALS

Makes good road base

COLLIERY WASTE is being converted by the Robert Brett Group of Canterbury into a road building material.

Called Brett CSM (cement stabilised mstone) it can be used to form sub-bases and road bases. It can be up to 30 per cent cheaper than Type 1 limestone and lean mix concrete, says Brett, and is also suitable for farm, and site roads, car parks, hard standings and store yards.

The material is being produced by a Robert Brett Group subsidiary company, Brett Paving and Construction, at Snowdown Colliery, between Canterbury and Dover where mstone (unburnt colliery shale) from the colliery's waste tips is mixed with cement.

It is stated that up to 1,000 tonnes a day can be produced, for delivery to sites up to 40 miles from the plant.

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COMPONENTS

Fire alarm call point

A HEAVY duty weatherproof pushbutton mainly intended for use as a fire alarm call point has been introduced by GP-Elliott Electronic Systems.

The company says that in harsh, temperate conditions, the unit avoids the nuisance of replacing the glass in "break-glass" switches and can readily be tested.

To operate, the large mushroom head is depressed; the head locks into the operated position exposing a yellow band indicating which of a group of such buttons has been operated.

LITERATURE

Compressed air manual

SUBSTANTIALLY enlarged and updated since its 1975 edition is a 600-page manual for users of compressed air equipment published by Atlas Copco (Great Britain), PO Box 79, Swallowdale Lane, Hemel Hempstead, Herts (0442 61201).

In addition to the section covering the theory and practice of compressed air technology, the manual devotes its remaining pages to a full list—including technical data—cataloguing all information on pneumatic and hydraulic equipment for the construction, mining and engineering industries.

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We plan that at least three consultants will join the City Office over the next few months. Contrasting experience among them will be valuable to our clients, so we welcome enquiries from men and women aged between 30 and 45 who are managers in any part of the finance sector—including the finance function in industry.

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Group Assistant Secretary

Legal role Sheffield

The Henry Boot Group comprises a public holding company with subsidiaries in construction, engineering, joinery, plant and property in the United Kingdom and a developing involvement overseas.

Candidates are invited to apply for the appointment of a Group Assistant Secretary, who will work closely with the Group Secretary and whose key task will be management of and responsibility for legal administration, with progressive participation in a wide range of company secretarial functions.

Candidates must have a degree and/or professional qualifications in law with at least five years professional or commercial legal experience and a proven record in a successful company or other organisation. Some knowledge of international trading would be helpful. The preferred age range is 35 to 45.

The post is located at the Group Head Office in Sheffield. The salary on offer is commensurate to the responsibility of the position; other usual benefits include a Company car, pension, life assurance and medical schemes.

Please write in confidence with brief personal details and present salary to:

The Group Personnel Manager,
Henry Boot & Sons Limited,
Banner Cross Hall, Sheffield S11 9PD
or telephone Sheffield 54331 (std 0742)
for further details.

Henry Boot

Financial Comptroller Europe

The Client

One of the largest international car parking companies providing full operational and management services to airports, hospitals, hotels, municipalities, recreation/sports complexes and urban facilities.

In Europe, the company operates in Austria, Belgium, France, Germany and the UK.

The Job

Reporting to the Managing Director and Vice-President, based at the European Headquarters, West of London, responsibility for corporate financial reporting and the co-ordination of management information systems, for the direction and control of all financial and accounting activities of overseas operations, and assisting in the evaluation and acquisition of new business. Some travelling will be required.

The Candidate

A qualified accountant with five years' senior financial management experience, preferably in the service industry, with heavy exposure to accounting systems and data processing.

Experience of working in an international organisation is clearly desirable and a good working knowledge of French and German essential.

Remuneration is negotiable in the region of £15,000 p.a. benefits are attractive and commensurate with the senior nature of this appointment.

Comprehensive details of career and salary to date, which will be treated in confidence, should be sent to:

F. G. Barratt

ALEXANDER GRANT, TANSLEY WITT

P.O. Box 71, 28 Ely Place, London EC1P 1JE.

INVESTMENT ANALYSTS

A leading firm of stockbrokers with a well established institutional equity research base and a substantial position in the Gilt market would like to hear from any young Analysts who may feel that a move to a stronger and more progressive organisation could materially enhance their career prospects.

Ability, enthusiasm, commonsense and sound research will be well rewarded through a realistic salary and attractive profit sharing scheme. We now wish to expand in a number of sectors principally Oils and Banks but also Textiles and Paper and Packaging.

Applicants should submit full c.v. in confidence to:

Walter Judd Limited (Ref: 1224)
(Incorporated Practitioners in Advertising)
1a Bow Lane, London EC4M 9EJ.

indicating the names of any Companies to whom you do not wish your reply to be sent. If the list indicates the Company involved, your application will be destroyed.

INTERNATIONAL CORPORATE FINANCE

£10,500 - £12,000

Our client is the International Division of the Midland Bank.

The rapid rate of their business growth continues unabated, and in no sphere is this more evident than in Corporate Finance - International.

As a consequence it is now necessary to recruit a further number of Assistant Managers who will support the development of corporate relationships and the Bank's business base in a number of geographical areas, especially Europe and the Far East, and in functional areas such as aerospace.

Ideally in their late twenties, the successful candidates will hold at least A.I.B. and will be very competent in the reading of balance sheets. They will be able to receive credit assessments and help prepare them for Committee review. They will wish to study in depth the area to which they have been allocated, with a view to eventual travel in the area.

Successful candidates will show an ability and eagerness to develop customer handling skills, and enthusiasm and initiative will be qualities particularly sought.

It follows that promotion prospects will cover the spectrum of Corporate Finance - International Division activities, and the positions will enjoy the fringe benefits associated with a major international bank.

Letters of application, together with c.v., salary progression and any other relevant data, should be forwarded without delay to:
Mr. C. A. Cotton, Executive Recruitment Division, M.L.H. Consultants Ltd., Park House, 22-26 Great Smith Street, London SW1P 3BU quoting reference A146.



Consulting Group of Companies

The Securities Division of the Centrale Rabobank in Utrecht, offers two attractive opportunities:

departmental manager and senior assistant

new issues and syndication department (male or female)

Due to the rapid growth of the commercial activities of our securities division during the last few years, we are looking for two enthusiastic people with the expertise to assist us in the further development of the activities in the new issues and syndication department.

Both candidates should have had experience in similar functions and should be fully acquainted with the commercial procedures of such a department.

The manager will be expected to actively represent our bank and its clients in financial syndications,

as well as head an active commercial and administrative team.

The senior assistant will to a large extent work independently, carrying out the usual commercial functions connected with new issues, and at the same time maintain and expand relations with domestic and foreign banking houses.

If you think you might be one of the two people we are looking for we request you to send us your resume, which will be handled with the utmost confidence, to the Centrale Rabobank, Personnel Department, P.O. Box 8098, 3503 SE Utrecht, The Netherlands, referring to position number Sp 4827.

The Centrale Rabobank heads a co-operative banking organization with 3100 offices in Holland.

Rabobank



International Pricing Specialist

C. London

c. £10,000 + Car

This managerial position is with a highly successful international organisation, regarded as the world-leader in its field. Managing the pricing process between associated companies world-wide will be a challenging role, demanding high intellect and considerable diplomacy.

Candidates will be qualified accountants, MBAs or graduates with over four years commercial experience, gained primarily in the finance area of a multi-national company. Knowledge of commercial taxation is desirable. Evidence of a creative outlook, and the ability to motivate others is a prerequisite. The likely age range is 27 to 35.

Apply in strict confidence, by telephone or with a brief CV, quoting reference RG 2459.



Lloyd Chapman Associates

123, New Bond Street, London W1Y 0HR 01-499 7761

FINANCIAL CONTROLLER

Mayfair

to £9,500 + car

Operating as an autonomous subsidiary of a quoted group, our client is a leading publisher of hardback and paperback books, with ambitious development plans.

Reporting to the Financial Director, the successful candidate will have total responsibility for the day to day control of the finance function. Of particular importance will be the development of computer based management information systems, and establishment of financial control over major publishing projects.

Candidates should be qualified accountants (M/F) preferably with experience in management accounting, and probably aged in their late 20's. The opportunity to join a high growth, fast moving business environment should appeal to those who have the personal skills to control staff, deal with senior management and develop the finance function into a cohesive unit — intelligence, organisational ability, and creativity, therefore, are essential.

For detailed information and an application form, please contact either Nigel V. Smith, A.C.A., or Kevin Byrne, B.A., quoting reference 2563.

Commercial/Industrial Division
Douglas Llombias Associates Ltd.
Accountancy & Management Recruitment Consultants
410 Strand, London WC2R 0NS Tel 01-436 9501
121, St Vincent Street, Glasgow G2 8VW Tel 041-226 3101
3, Coates Place, Edinburgh EH3 7AA Tel 031-225 7744



هكذا من النحل

BUSINESS ANALYSIS MANAGER

London c£10,000 + low
cost mortgage

Responsible to the Head of the Bank's operations division for an administrative and forward planning unit, the Manager will be closely involved in the evaluation of product performance, pricing and costing methodology, budgets, forward plans, communications and computerisation project monitoring and cost control. The necessary development and implementation of sophisticated exception and management reporting techniques will require a creative approach.

Our client, the London branch of one of the world's leading banking groups is undergoing a period of major internal reorganisation and new technique adaptation. Aged 28-35, applicants (male or female) should be business graduates or accountants with business, product management and analysis experience, ideally including cost control, and exposure to computers. Please telephone or write to David Hogg FCA, quoting reference 11875.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR.
Telephone: 01-242 7773

Financial Analysis Managers

W. London to £12,500

Our clients provide one of British industry's success stories of the 70s. Competing internationally in high-technology markets they have an enviable record of growth with further expansion secured by substantial investment in product development. This environment offers excellent career prospects for talented people who can contribute to the management of a large and complex business. Two managers are now to be appointed within the Corporate Headquarters to analyse the plans and performance of operating divisions and identify key issues for management action. They will each control a small team of analysts and must combine technical skills in planning and control with an ability to communicate effectively with operating units. Applicants, male or female, should be qualified accountants or business graduates, around 30, with experience at supervisory level of financial analysis/management accounting in a substantial company. Ref: 793/FL. Apply to R. A. Phillips, ACIS, FCII, 3 De Walden Court, 85 New Cavendish Street, London W1M 7RA. Tel: 01-636 0761.

Phillips & Carpenter
Selection Consultants

Chief Accountant

c.£9,500 + car + benefits

R. White & Sons Ltd is the soft drinks subsidiary of the Whitbread brewing group. We now have an important vacancy for an experienced man or woman at our Essex London office.

Reporting to the Financial Director you will be responsible for 40 staff and day-to-day activities including statutory accounting, financial accounting, sales and purchase ledgers, salaries and wages and cash.

This is a senior management appointment and you will be expected to contribute to the formulation of business policies and objectives.

Applicants, who should be graduates and in the age group 25-40, must have a minimum of 4 years' post-qualification experience in industry, and be able to demonstrate management ability. Previous experience of computerised systems is desirable and we will encourage career progression within the Whitbread group.

We offer a starting salary of c.£9,500, reviewed in October, which will be supported by the range of benefits expected of a major organisation, including assistance with relocation where appropriate.

Please write to or phone for an application form: Pauline Pryor, Recruitment Administrator, Whitbread & Co. Limited, Chiswell Street, London EC1Y 4SD. Tel: 01-606 4455. Please quote ref: SD/2.

WHITBREAD



Divisional Accountant

Essex c.£10,000 + Benefits

Our client, a British-based international company with extensive and world-wide interests, seeks a qualified accountant to fill the newly-created post of Divisional Accountant at their UK complex based in Essex.

As the successful candidate you will be directly responsible to the Divisional Commercial Manager for the preparation of budgets, performance monitoring, cost control and the financial evaluation of commercial decisions. In addition you will be expected to liaise with the Central Accounting and Data Processing functions.

As the right person for the senior post you will be an ACMA (ACCA may be considered) in your early 30s and have at least five years' experience in a manufacturing commercial environment.

Conditions and fringe benefits are appropriate to a large international organisation of world repute including CPS, AVIS, Flexi-Time, relocation expenses, etc.

Please telephone: Richard May, Chelmsford (0245) 60234

PER, Cater House, 49 High Street, Chelmsford CM1 1DE.

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Glynwed is a British public company, with a wide range of manufacturing and distribution interests in the engineering, steel and building products industries. The 1978 turnover of the Group, which employs over 14,000 people in the U.K., was £316 million.

The Corporate Planning Department is at the Group Headquarters at Sheldon, near Birmingham. The main purposes of the Planning Department are to assist in the formulation of strategy and to co-ordinate the Group's long range planning.

It is intended to appoint a Corporate Planner, who will report to the Planning Manager. Economic studies, market assessments and analyses will be among the work undertaken, which will include the implications for Company policy of the information gathered.

Formal training in corporate planning is not essential, but some experience of the operation of manufacturing companies is necessary. Candidates must possess considerable analytical ability, and have the capacity to work on their own initiative.

An education to degree level in science engineering is highly desirable.

Candidates, male/female, should write or telephone for an application form to:

R. Withey, Group Staff Manager,
Glynwed Group Services Limited,
Headland House, New Coventry Road,
Sheldon, Birmingham B26 3AZ.
Telephone: 021-742 2366.

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Telephone 01-928 3551

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As a member of the European Management team, you will have a close involvement with senior and operational management in Europe, the U.K. and the U.S. group. Excellent career prospects and major group benefits apply; a knowledge of European languages would be advantageous.

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Salary and terms negotiable.

Apply in confidence to:

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Astley & Pearce Limited
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Telephone: 01-626-2486

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London \$9,500 + low
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Our client is a leading international corporate bank with a small and expanding department of high calibre Chartered Accountants and EDP professionals. This department, which has responsibility for the review of procedures and controls applicable to computer systems under development, requires an additional Chartered Accountant.

Career opportunities, either within the banking operations or the financial function, are excellent. Applicants, aged 24-30 (male or female), should have demonstrable EDP systems auditing experience gained in a large professional firm. Please telephone or write to David Hogg FCA quoting reference 11875.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London WC1V 6LR
Telephone: 01-242 7773

OPERATIONS AUDIT Recently Qualified ACA

London + overseas to \$11,000
travel

A key member of a small high quality team of Chartered Accountants, the auditor will be based in London and will spend up to 50% of the time in other European countries working on a variety of projects. With an analytical emphasis these projects will include reviews of systems developments, operational procedures, foreign exchange exposure and management information.

Our client is highly profitable and the principal division of a US based international group trading in high value commodities. European turnover is in excess of \$3000 million. Aged 20-28 applicants (male or female) should have qualified with a large professional firm. Please telephone or write to Stephen Bloney B. Comm., ACA quoting reference 11879.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London WC1V 6LR
Telephone: 01-242 7773

Banking Appointments Middle East

A major commercial bank based in the Gulf whose international network is growing rapidly is seeking to make the following Head Office appointments:

Assistant Manager - Loans 30,000/35,000 US Dollars

An experienced senior Loan Executive is required capable of creating new business and expert in handling all aspects of international trade financing, multi-currency loans and guarantees, and relevant documentation from initiation to completion. (Ref. 6430)

Eurobond Dealer 25,000/30,000 US Dollars

A Eurobond Dealer is required to join an existing team operating in the Eurobond primary and secondary markets. Candidates should have gained relevant experience with a leading financial institution, be capable of operating a secondary market Eurobond trading operation, and of assisting in primary Eurobond placement activities internationally. (Ref. 6431)

Both appointments carry good prospects. Benefits include free accommodation, a car, free medical care and 45 days holiday per year. Renewable contracts are for 2 years.

Applications in confidence under the appropriate reference to Gerald Brown.

mh Mervyn Hughes Group
2/3 Cursitor Street, London EC4A 1NE
Management Recruitment Consultants

01-404 5801

FINANCIAL INFORMATION

Development Analyst

Central London c.£7,000

Extel Statistical Services Limited, a leading supplier of company and financial information to the City and industry, has a vacancy for a Development Analyst.

This new position will provide an opportunity for someone with financial experience to become actively involved in developing new uses for the Company's information services in computer readable form.

Candidates, probably in their mid twenties to early thirties, should have a keen interest in the City, and a background in financial analytical work or computers would be an added advantage.

Please apply in writing to:
Graham Quick, Director of Editorial Services,
Extel Statistical Services Limited,
37-45 Paul Street, London EC2A 4PS.

Extel

Jonathan Wren - Banking Appointments



BANK EXECUTIVES - NIGERIA

Our client is an established bank in Nigeria under European management. The bank maintains a branch network in Nigeria and seeks to strengthen its management team by recruiting the following officers:-

1. AREA MANAGER - LAGOS to £39,000 Sterling Equivalent
Responsibilities include management of the main branch and five other offices.

It is anticipated that the successful candidate will be in his mid-to-late thirties with considerable commercial banking experience. It is an essential requirement that candidates should be qualified as Associates of the Institute of Bankers or hold a University degree in Business Studies, Accounting or Economics.

Experience in business development in the trade finance field would be very useful.

2. CREDIT MANAGER (Two Vacancies) to £31,000 Sterling Equiv.

Responsibilities involve the management of credit departments, one vacancy in the main Lagos Office and the other in a Regional Office. Good experience in commercial lending is important, either in the U.K. or overseas. Duties will include the review of new and renewal facilities, control of staff in credit department and management of facilities at all stages.

Candidates should be graduates or hold the A.I.B. as in the Area Manager vacancy.

The benefits packages in addition to the salaries mentioned are considerable, including free housing, medical fees, 60 days annual holidays with economy return fares for the family, etc. The initial contract will be for two years, renewable subject to all parties' agreement.

Please contact DAVID GROVE in the first instance.
All enquiries will be treated in strict confidence.

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We are a major contracting company, which designs and builds refineries and chemical plants worldwide. We are looking for a lawyer with probably not less than six years relevant post qualification experience who will:

- Have a sound knowledge of commercial law and be able to advise on all other legal aspects of the operations of a large international company.
- Be able to draft and review agreements covering a wide range of commercial activities and participate as a member of a team in contractual negotiations.
- Be available for international travel in connection with the company's operations.
- Have the self-confidence and personality necessary to advise and work with management at all levels.

The remuneration package is substantial and is geared to attract the right candidate.

Please write with full curriculum vitae to:

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PURCHASING OFFICER

for small but developing North-West London Company. Knowledge of Engineering/Electronics would be advantageous. Salary £6,000 p.a. negotiable. Write Box A.6851, Financial Times, 10, Cannon Street, EC4P 4BY.

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An important appointment — scope to advance to a more senior dealing position elsewhere in the world within 18 months — 3 years.



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Applications are invited from Foreign Exchange Dealers, aged 25-35, who have acquired at least 4 years' practical dealing experience and a year or more dealing in spot markets. As part of a team of 5, the successful candidate will report to the Foreign Exchange & Money Market Manager dealing in the main European currencies, including the dollar and yen, mainly in spot transactions. Occasional cross border travel will be necessary. French, whilst not essential, will be an advantage. Initial remuneration negotiable. U.S. \$50,000-U.S. \$70,000, contributory extra legal pension including life assurance, free medical and full relocation expenses. Applications in strict confidence under reference SFED11487/FT will be forwarded unopened to our Client, unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager.

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH

PLANNING SUPERINTENDENTS

Middle East

£11,000+

Gray Mackenzie & Company Ltd., a member of the Inchcape Group of Companies, have openings for Planning Superintendents in a new Research & Development department being set up in a modern port complex in the Middle East.

Strategic Planning Superintendent

Suitable for a business graduate, graduate economist or accountant with a knowledge of corporate strategic planning methods and techniques, and experienced in the evaluation of commercial projects. Ten years of post-graduate experience essential, preferably in a corporate planning role and applicants must have held a line management position. For non-accountants, knowledge of accountancy would be an advantage. Post involves detailed analysis of economic forecasts and liaison with departmental heads on all aspects of port operating programmes and expenditure.

Systems & Procedures Superintendent

Graduate/Professional accountancy qualification required, with an in-depth knowledge of accountancy

and administration systems as applied to large organisations. Knowledge of data processing/computerisation an essential attribute and a working knowledge of O & M would be an advantage. Ten years minimum experience in a senior management role in the systems development or management services department of a large organisation. Post will involve compilation of plans and recommendations for introduction of computerised systems/electronic data recording. Successful candidates will be aged 35-40 and possess a knowledge of statistics and statistical analysis. Salary is in the region of £11,000 + one month's bonus payment for each 12 months complete service. Tours are four calendar months duration, with four weeks leave and return air fares. Food and accommodation are provided, marital status may be granted after two complete tours subject to availability of suitable accommodation. Please write, giving brief details to: The Personnel Manager, Gray Mackenzie & Company Ltd., 40, St. Mary Axe, London, EC3 8EU.

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GRAY MACKENZIE

Thomas Tilling Limited

A large and diversified international group with 47,000 employees and sales over 1 billion.

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Due to promotion a vacancy has arisen in the Group Accounts Department at Tilling's Mayfair Headquarters. The appointment is as a member of a small team dealing with the financial, management and investment accounting of the Group. The work is varied and interesting and involves close contact with Senior Group Executives.

Candidates should be qualified accountants aged 25/28, technically sound, commercially-orientated and ideally with experience in a large accounting firm. This is an outstanding opportunity for a young CA to commence a career in industry.

Please write in confidence giving details of age, education, qualifications and full career and salary progression to: The Chief Accountant.

Thomas Tilling Limited, Crewe House, Curzon Street, LONDON W1Y 8AX. Telephone: 01-499 4151

YOUNG GRADUATE ECONOMIST

This is a vacancy for a graduate ECONOMIST in the Corporate Planning and Investment Research Department. The duties cover a wide range of economic and commercial analysis and forecasting of the UK and overseas economies, and industry and company appraisals.

The successful candidate will be a practical and imaginative economist, aged 24 to 27, with a keen interest in business, at least 2 years experience in UK industry or commerce, a pleasant personality and initiative. A foreign language and/or language aptitude would be advantageous.

Please write in confidence, giving details of age, education, qualifications and full career and salary progression to: Corporate Planning and Investment Research Manager.



INVESTMENT ACCOUNTING ASSISTANT TO CHIEF ACCOUNTANT

Up to £8,000 + attractive fringe benefits

City

Our client is a leading City investment management group controlling assets of approximately £300 million.

An Assistant to the Chief Accountant is required who will join a small team of accountants in preparing and presenting financial and statistical information for the group. Responsibilities will cover the preparation of published accounts and the taxation affairs of investment trusts, investment dealing companies and exempt unit funds.

The successful candidate will be a qualified accountant. In addition to a salary of up to £8,000, attractive fringe benefits include non-contributory pension and house mortgage schemes.

Please send a comprehensive career résumé, including salary history, quoting ref. 995, to: W. L. Tait.



Touche Ross & Co. Management Consultants

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London EC2M 5JL
Tel: 01-558 0644

COMMONWEALTH SECRETARIAT (COMMONWEALTH FUND FOR TECHNICAL CO-OPERATION)

Invites applications from Commonwealth citizens for a one-year assignment as

MARKETING ADVISER

for the export of the Tinkabi Tractor

Mauzini, Swaziland

The Tinkabi Tractor is a low-cost machine designed to give small farmers in less developed countries the opportunity to mechanise. It is powered by a reliable 16 hp diesel engine, with hydraulic transmission, and a wide range of ancillary equipment is available.

The Marketing Adviser will be responsible for developing a commercialisation programme for the Tinkabi Tractor to make it self-financing, by investigating existing market potentials in neighbouring countries; and the possibility of franchising its manufacture in other countries in addition to direct export sales. He will also be responsible for the training of local personnel employed on the project.

Applicants should be university trained, with experience in marketing agricultural machinery, preferably in a developing country; and should be able to perform the two tasks of marketing and training in this field.

Basic salary, inducement allowance and gratuity negotiable in the region of £10,000 per annum, free of tax in Swaziland. A housing allowance, education allowances and allowances for shipment of personal effects are among other benefits provided.

Application form and further details from Commonwealth Secretariat (CFTC), Marlborough House, Pall Mall, London SW1Y 5HX. (Tel: 01-839 3441 Ext. 82.)

MANUFACTURERS HANOVER LIMITED SENIOR ACCOUNTANT

Manufacturers Hanover Limited, the U.K. merchant bank subsidiary of Manufacturers Hanover Trust Company, is seeking a senior accountant.

Reporting to the Finance Director, the successful candidate will have responsibility for the accounts and computer operation.

Candidates should have the following qualifications:—

- ★ Professionally qualified accountant
- ★ Unlikely to be less than 30 years old
- ★ Several years' experience in financial institutions—preferably in banking
- ★ Experience of working with and/or installing a small computer system
- ★ Ability to manage and motivate people working under pressure.

A generous five-figure salary, negotiable according to experience, and an attractive benefit package is offered.

Handwritten applications should be sent to Mr. J. E. W. Bamford, Manufacturers Hanover Limited, 5 Princes Street, London EC2P 2EN.

OPERATIONAL AUDIT A FAST ROUTE INTO MANAGEMENT

East Anglia

£8,000 — £10,000

Our client is a diverse U.K. chemicals group with extensive development plans and is renowned for a progressive corporate attitude.

The audit function has an independent brief to investigate every aspect of business operations (U.K. and overseas) in terms of profitability, efficiency and operating controls. Their task is to provide a creative framework where management review takes place with full co-operation at all levels. They will also be asked to act in systems development, undertake special projects in areas which affect the entire group and review potential acquisition.

The successful candidate will be a young qualified accountant preferably A.C.A. with 1-2 years' P.Q.E. He/she will act as a No. 2 reporting to the Group Chief Internal Auditor. Additional responsibilities will include the planning of audit coverage and actual implementation of the programme. Travel content may vary, but will not generally be excessive. Career prospects are excellent and benefits will include relocation assistance to this attractive rural location.

For further information please contact Kevin Byrne, B.A., or Nigel V. Smith, A.C.A. directly on 01-838 8501 or write for an application form to the address below quoting reference 2562

Commercial/Industrial Division
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Secretary & Management Consultants
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2, Collier Place, Edinburgh EH3 7AA. Tel: 01-522 7744



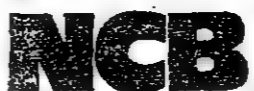
Solicitors

£5,735-£10,445

We currently have opportunities for solicitors of ability and good educational background to fill two posts in the office of the Board's Regional Solicitor at Eastwood, near Nottingham. Applicants with a wide general experience would be preferred, but newly admitted solicitors, if of sufficient calibre, would also be considered.

The work handled is varied and interesting; it consists of litigation, conveyancing, industrial relations and commercial work as well as work in other fields.

Conditions of Service are attractive and the salary offered would be in the range of £5,735-£10,445 according to merit and experience.



Please write to J. G. Tyrrell,
Regional Solicitor, Eastwood Hall,
Eastwood, Notts.

MANAGING DIRECTOR (Designate)

CONTAINER LEASING £15,000-£20,000 per year

This is a new position to head up and develop a small London based office of an old established expanding international container leasing company. Applicant must be able to demonstrate a record of success and proven ability and be able to motivate, direct and operate on his/her own initiative. The successful applicant will work closely with and directly report to the non-resident executive Group Chairman.

Usual fringe benefits and exceptional bonus incentive scheme will later be offered to the right person determined to make this a long term career.

Write, giving fullest details including present earnings, to Box A.6852, Financial Times, 10, Cannon Street, EC4P 4BY.

Banking Officer Europe

A leading international bank has a position for an officer or a potential officer located in Europe and to be assigned to international relationships. A knowledge of the securities industry is highly desirable. The successful candidate will be required to have English as a working language and facility in French and German will be desirable.

Replies to: Universal Media, chaussée de La Hulpe 122, 1050 Brussels, Belgium, under ref. 146.

هكذا من الرجل

Systems Support Programmer/Analyst

International Banking - London
to £9,500 plus benefits.

Our client, a major US international corporate bank with many EDP systems both under development and in use, requires an experienced individual to help maintain the high standards of systems in its London office.

As part of a small group of EDP professionals and qualified Accountants, you will be expected to make a significant contribution to the following areas:

- 1) Technical reviews of all aspects of the bank's production computer systems.
- 2) Installation, reviews of hardware and systems software covering IBM 370/138 and 148 mainframes with RJE under CICS/VS.
- 3) Development and maintenance of audit interrogation software.
- 4) Review of new business systems.

With experience to a degree standard or equivalent, you should possess two years' project leading experience gained in a financial environment, a knowledge of ASSEMBLER and preferably PL1 programming languages and the ability to communicate effectively both verbally and in writing.

In addition to the competitive salary the bank provides a comprehensive range of fringe benefits, including an annual bonus, low-interest mortgage facilities, non-contributory pension, life and medical insurance plans.

Please write, including a full curriculum vitae and listing any companies to whom you do not wish your application forwarded, to:

Kelvin Whitfield (CRS/130), Lockyer Bradshaw & Wilson Ltd.,
North West House, 119/127 Marylebone Road, London NW1 5PU.

LBW

LOCKYER, BRADSHAW & WILSON
LIMITED

Project Finance

Our client, one of London's leading Merchant Banks, is expanding its project finance business and requires an executive to undertake advisory and financing assignments in its Project Division.

The most promising candidate for this position is likely to have had experience of international capital markets with an established merchant, commercial or investment bank and be in his or her middle twenties. Knowledge of export finance, financial mathematics and languages, together with a readiness to travel, are all desirable attributes.

Salary is negotiable and the package of employment terms includes mortgage subsidy, non-contributory pension scheme, free life assurance and BUPA.

Applicants should write with full career details and experience stating any organisations to which their application should not be forwarded to:-

J.D. Vine, Account Director (Ref CRS/126).

Lockyer, Bradshaw & Wilson Limited.

North West House, 119/127 Marylebone Road, London NW1 5PU.

LBW

LOCKYER, BRADSHAW & WILSON
LIMITED



ASSISTANT DIRECTOR

An Assistant Director is required to co-ordinate the expanding activities of our Banking Division. These activities include all aspects of Sterling and Currency lending, including Loans Administration, Commercial Banking and the Finance of Foreign Trade.

The successful candidate is likely to be over 35 years of age and educated to a degree standard. Strong practical experience of both basic Banking and Commercial lending is essential as is the ability to adapt this knowledge according to circumstances and customer needs.

An attractive five-figure salary is negotiable and other substantial benefits including a car and private medical insurance are offered.

Written applications with a full curriculum vitae should be sent in confidence to:-

The Personnel Manager,
Standard Chartered Merchant Bank Limited,
33-36 Gracechurch Street,
London EC3V 0AX.

**Standard Chartered
Merchant Bank Limited**

A member of the Standard Chartered Bank Group

C. London

c.£8,000

yardley

Accounting and Forecasting

This is an excellent opportunity for a young accountant to gain sophisticated financial and management accounting experience at the centre of this leading cosmetics group with operations around the world and which is part of BAT Industries.

As a member of the small head office finance team, you will prepare and review a wide range of reports, monitor budgets and carry out a variety of projects for the Finance Director. You will play a major role in the financial management of Yardley International Limited, in particular by acting as financial co-ordinator with two major regions.

There will be a high degree of accountability for your work and regular contact with senior financial personnel worldwide. The number of senior managers in the UK and overseas who have progressed from this role amply demonstrates the prospects it affords, both in this company and the B.A.T. group.

Contact David K.L. Tod, BSc FCA on 01-405 3499
quoting reference DT/349/JAF

Lloyd Management

Recruitment Consultants

125 High Holborn London WC1V 6QA

01-405 3499

Marketing Director

Building Materials

c. £14,000 + car

An opportunity has arisen for a Marketing Director to join the General Planning Division of an industrial group. Initial tasks will be to gain familiarity with the product range and then to formulate and co-ordinate marketing policies and plans.

The successful candidate will be aged about 35, of graduate level education, and with a background in industrial marketing and sales management at a senior level, or in general management.

Location near London. Salary around

£14,000 with company car and good fringe benefits, including relocation expenses if required. Ref: K7860/FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-335 6060 Telex: 27874



A member of PA International

Accountant

Advertising/Marketing Central London

A key job in a growing company employing some 250 people and providing specialist advertising/marketing/PR and related services.

The role will involve co-ordinating all aspects of management and financial accounting in a complex and interesting business.

Our client is looking for an accountant with a real interest in effective financial management. Preferably aged 28-40, candidates should be able to demonstrate a record of success in a similar capacity, as well as an understanding of financial data processing - responsibilities include a mini-computer operation.

Skill in maintaining a high level of efficiency within the total accounting function is essential, as is the ability to work effectively with senior management. Salary and bonus will give attractive remuneration, and a car will be provided after a period of satisfactory development.



PERSONNEL ADVERTISING LIMITED

Please write in the first instance, giving brief career history to David Macmillan, Personnel Advertising Limited, 22 Red Lion Street, London WC1R 4PX. All replies will be passed to our client unless we are instructed otherwise. Please quote ref: 0185 551.

TAX PARTNER DESIGNATE

£9-10,000+

Medium-sized practice, central London.

Brian Ingram Agency, 01-458-5313.

Nordic Bank Limited

Nordic Bank Limited, a major London consortium bank, is seeking a manager in its rapidly expanding shipping department.

He, or she, will be responsible for marketing and servicing the entire range of the bank's ship lending services to existing and potential customers in Scandinavia, Greece and the Asia-Pacific Region.

Candidates of preferred age between 25-35 years must have a relevant degree, professional or post-graduate qualification and a minimum of 3 years experience of the euro-currency markets and the shipping industry. Fluency in one other language besides English is essential.

Although initially the appointment will be in London, candidates should expect that in the course of their long term development with the bank they may be relocated abroad. Salary is negotiable together with generous fringe benefits.

Written application should be made to J.C. Clark, Associate Director,
Nordic Bank Limited, Nordic Bank House, 41-43 Mincing Lane, London EC3R 7SP.

R. P. MARTIN & CO. LIMITED

International Money Brokers

Are looking for experienced dealers in the following categories to work in London and, if necessary, overseas:

Spot and Forward Foreign Exchange
Currency Deposits

Please apply in writing to:

Personnel Manager, R. P. Martin & Co. Limited,
86/40, Coleman Street, London EC2R 5AN

INSTALMENT CREDIT UNDERWRITER

City based well established Instalment Credit Group mainly writing larger unit commercial and industrial business seeks experienced Underwriter to take charge of existing team. Finance House experience in the field essential. Above average salary, non-contributory pension and life cover, permanent health insurance scheme, free BUPA cover and luncheon allowance.

Apply in writing in strictest confidence to:

WALTER JUDD LIMITED (Ref. L222)
(Incorporated Practitioners in Advertising)
1a, Bow Lane, London EC4M 9EJ.

CITY OFFICE OPEN TILL 6 PM DAILY AND THURSDAYS TILL 7 PM WEST END OFFICE LATE OPENING THURSDAYS TILL 8 PM CHIEF ACCOUNTANT

c. £8,500

WC2

Our client, a fast expanding Systems House, is seeking a recently qualified Accountant. The successful candidate will report to the Financial Director and will be responsible for the full accounting function (treasury, group accounts, statutory accounts, and computer implementation). Excellent prospects are available for those self-starters who are highly motivated. Please telephone quoting ref. FT 0588.

DUNLOP & BADENOCH (Apt)

31 Percy Street, W1 01-223 0886

25 Line Street, EC3 01-423 3544



COMPUTER SYSTEMS AUDITOR

Crawley, Sussex

c. £11,000 + Car

A unique opportunity to control a small team providing a vital service to financial and general management through the continuous upgrading and audit of all business systems operated by a major international contractor as part of a UK public group. Preference will be given to professional accountants and relocation expenses are available.

Call Brian Worthington on 01-248 6321

Personnel Resources Limited 01 248 6321

Financial Appointments, Hilgite House, Old Bailey, London EC4M 7HS

INTERNATIONAL CORPORATE AUDIT

Hertfordshire

neg to £12,000 + Car

Our client is a multi-national corporation producing and marketing a range of high technology based products on a world-wide basis.

Following the expansion of the corporate audit function, the company seeks to appoint a Senior Auditor who will assume responsibility for carrying out investigations to identify, evaluate and report on areas of financial exposure and maximise the efficient utilisation of systems and controls.

Candidates will be qualified accountants probably aged 27-32, with at least two years' post-qualifying experience auditing large companies with advanced accounting and reporting systems. They will have the maturity and commitment to succeed within a highly motivated team, dealing with multi-disciplined senior management. Successful candidates should have a knowledge of French or German. Prospects for promotion to line management positions within the group are excellent.

For more detailed information and a personal history form please contact Robin F. Taylor, B.A., C.A. or Nigel V. Smith A.C.A. as soon as possible quoting reference 2555.

Commercial/Industrial Division
Douglas Lambie Associates Ltd.
Accountancy & Management Recruitment Consultants
410, Strand, London WC2R 0NS. Tel: 01-836 9521
121, St. Vincent Street, Glasgow G2 8HW. Tel: 041-228 3101
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-233 7744



Senior Cost Accountant

Major opportunity

c.£10,000 + attractive benefits

Our Client, the expanding UK manufacturing and marketing subsidiary of a major international pharmaceutical company, requires a qualified Senior Cost Accountant who will report to the Financial Controller.

This outstanding career opportunity will attract accountants of dynamic personality and flair who are ready for a significant career move. The successful candidate, probably aged 28-35 and preferably a graduate, will have sound industrial experience of standard cost systems.

A high degree of technical competence and the ability to develop a sophisticated computerised costing system are essential. Success in this key position will lead to rapid career advancement, possibly in Europe.

The appointment is based in a pleasant part of Southern England. Relocation expenses are available to complete an attractive salary and benefits package.

Please write with full career details to R.A. Merrin, Grosvenor Stewart Limited, 15 Tilehouse Street, Hitchin, Herts. Telephone (0462) 55303 (24 hour answering). Please quote ref. 528.



GROSVENOR STEWART
Executive Search and Selection

UNIVERSITY OF THE WEST INDIES TRINIDAD

Applications are invited for the post of SENIOR LECTURER/LECTURER in the DEPARTMENT OF MANAGEMENT STUDIES. Applicants should be experienced in teaching. Salary scales 1979/80, Senior Lecturer TTS5,100-44,504 p.a., Lecturer TTS2,072-38,744 p.a. (ET starting - TTS5,32). Family passages: FSSU; unfurnished accommodation is available at 10% or furnished at 12% or housing allowance of 20% of pensionable salary; study and travel grant. Detailed applications (2 copies) with curriculum vitae and naming 3 referees to be sent to the Secretary, UWI, St. Augustine, as soon as possible. Applicants resident in the UK should send one copy to Inter-University Council, 30-31, Tottenham Court Road, London, W1P 0DT. Further details may be obtained from either address.

GILT DEALER

We wish to recruit an additional Dealer principally for the long end of the Market. This is an opportunity for someone already employed as a junior dealer or a blue button who now feels ready to take on more responsibility. Prospects are good for the right person to develop a career in the long end of the Market working alongside the Senior Dealer.

The successful applicant will be aged 22-30, with some experience in a Gilt environment. We can offer a good salary and benefits coupled with excellent prospects of a successful career in an established Gilt Department.

Please apply in confidence to:

Box A.6854, Financial Times, 10, Cannon Street, EC4P 4BY.

Jonathan Wren Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

CHAIRMAN'S SECRETARY: c.£6,500

A large merchant bank close to Moorgate Tube Station is recruiting a bilingual German Secretary, with knowledge of French, for its Chairman. Ideally, the suitable candidate will possess 100/50 wpm minimum and be aged 35-45. Previous experience at the above level essential. Benefits include additional bonus and mortgage.

Please contact: DIONE ALISTIN-HARRISON

PERSONNEL ASSISTANT: c.£6,500+

A Personnel Assistant is sought by an overseas bank in WC2. Applicants will have experience of staff interviewing, PAYE (computerised and manual), pensions, typing, etc. and have a mature, sympathetic nature to deal with staff welfare. Salary c. £6,500+ and benefits to include mortgage facilities.

Please contact: MADELINE ALDRIDGE

First floor-entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

TOP PUBLIC RELATIONS CONSULTANTS

required for: The Good Relations Group

The Good Relations Group is one of the country's leading public relations consultancies.

We employ over 60 people offering skilled services in the fields of corporate, consumer, financial, industrial and parliamentary public relations.

In the last two years we alone have grown by over 100% and our client list is the most impressive in the business.

The quality of our consultants is our greatest asset, and we believe they are the best in their respective fields. As a result, finding good people to meet our standards is more difficult than finding good clients.

We are inviting applications, therefore, from public relations consultants who feel they, too, are among the best. If you fall into this category, and we agree - there is an immediate place for you within the Good Relations Group.

Suitable candidates are currently likely to be earning between £10,000 - £20,000 per annum.

Please write giving full details to:



Anthony B M Good
Chairman
The Good Relations Group Limited
15 Adelphi Place
London WC1B 3AJ

Accountant - Internal Consultancy Role From £8500 + 2-litre car

To join the UK operating company of International Distillers and Vintners Ltd., which produces, distributes and sells wines and spirits - well-known brands include Smirnoff Vodka, Gilbey's Gin, Croft Sherry and Hennessy Cognac.

This is a new appointment, reporting to the Home Trade Finance Director, and the successful candidate will carry out a wide range of projects reviewing the operations of various parts of the company and, where necessary, making detailed recommendations for improvements.

Candidates, probably aged around 30, should be qualified accountants, preferably chartered, who possess sound commercial or industrial experience. The ability to deal effectively at senior management level, as well as good verbal and written communication skills, is essential.

Salary is negotiable from £8500. A 2-litre car is provided. First class benefits apply.



Please write with career details, or telephone for an application form, to Colin Gordon, Home Trade Personnel Director, International Distillers and Vintners Home Trade Ltd., Gilbey House, Fourth Avenue, Harlow, Essex. Tel: Harlow (0279) 28801.

EUROBOND SETTLEMENTS MANAGER

Age 28-40 c. £10,000

An International Securities House, a subsidiary of one of the world's largest banks, seeks to appoint a fully experienced and dynamic person to the above position. Controlling a staff of six, and using a computerised system on Euroclear, the successful candidate will possess a minimum of 5 years' experience of all aspects of Eurobond settlements, and be capable of playing an important role in the further development of the business.

This is a career opportunity in a growing company, and in addition to the salary, which is negotiable, fringe benefits include a bonus and a car.

Applications in the first instance should be made, by telephone or letter, to Mark Stevens.

BANKING PERSONNEL
41/42 London Wall, London EC2. Telephone: 01-588 0781
(RECRUITMENT CONSULTANTS)

GUINNESS



Company Secretariat - a challenging and varied career £7,900

With continuing growth and diversification, career prospects within the Guinness group are outstanding. In order to strengthen the group secretariat department based at Park Royal London, they wish to recruit a young AGIS or qualified lawyer with communicative skills, an enquiring, receptive mind and considerable professional experience.

Your tasks will be extremely varied and include maintaining a watching brief on UK and EEC legislation, in addition to secretarial duties for a number of subsidiaries. The benefits are exceptional and include free lunches, 5 weeks holiday and a non contributory pension scheme. Relocation expenses where appropriate will be paid.

Contact Patrick Donnelly on 01-405 3499 quoting reference PD144/GSP.

Lloyd Management

125 High Holborn London WC1V 6QA 01-405 3499

£6,000 accountancy appointments £9,000

These advertisements appeared in the Financial Times on 31st July, 1979

Job Title	Salary	Location	Advertiser
Chief Accountant	£9,000 + car	Nr. Croydon, Surrey	Extel Recruitment
Taxation Accountant	£8,000	Slough	Wilkinson Match
Chief Accountant	-	London, W1	London & City Trust Ltd.
Financial Controller	£8,000 + car	Croydon area	Palmer's Scaffolding Ltd.
Accountant	£9,000	City	IPS Group

For the full text of these advertisements please see the F.T. of that date or telephone Sally Stanley on 01-248 4497.

FINANCIAL DIRECTOR

c. £14,000 + Car

South East

A large autonomous sub-group of a major British international company, requires a Chief Financial Officer. Reporting to the Managing Director, the post has overall central accounting responsibility through his/her own department, as well as, directing the accounting policies and standards of the individual trading units which comprise the sub-group.

Initial objectives will be to review and improve the total information system; develop and strengthen the relationships with line management to achieve a better understanding and use of financial techniques; operate a close and effective liaison with the group's central financial team, covering consolidations, treasury, planning and budgeting; maintain and develop the strength of the experienced and well qualified department, which has been built up over recent years.

This calls for a personable chartered accountant, aged early 30's with a good professional background, followed by several years blue chip experience in industry and commerce. Ideally, this experience should embrace both large and smaller units in the service sector. A detailed understanding of financial control and sophisticated management accounting, is as important as financial and commercial flair.

Benefits include negotiable salary, car, relocation, pension etc. There is some overseas travel.

Candidates, male or female, should send a detailed career history to the consultant advising on this position quoting reference C72/FT.

JWT Recruitment Ltd
Executive Recruitment & Selection
40 Berkeley Square London W1X 6AD 01-629 9496

General Manager

f.m.c.g.

From £15,000

This is a senior appointment within a successful and respected British Group with the head office in the North West. Success in the subsidiary company could lead to a wider role in the future. It is essential that the person appointed is already a general manager with the ability to see answers to production problems and be able to plan a forward looking marketing strategy. Candidates, preferably aged 35-45, must have held true profit responsibility for at least two years within the fast moving consumer goods industries such as food, drink, toiletries etc. Their initial basic disciplines and functions need not be specific. They will either already have been in charge of a smaller unit and wishing to

move on to the bigger stage (to £10m plus) or chafing at the bit in the large organisation and not willing to wait for 'dead men's shoes'. Conditions of employment are good and salary is negotiable. A car is provided and all removal costs met if necessary.

Ref: GM59/8892/FT.

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

INSURANCE MANAGER, ACCOUNTING AND FINANCE

London

Age: 28-40 £12,500 - £15,000 negotiable

Our client, a U.S. company, has established a subsidiary in the U.K. to expand its insurance operations, which were formerly managed on an agency basis.

The Manager, Accounting and Finance will report to the Managing Director of the U.K. company and to the Vice-President/Controller of the U.S. company.

The person appointed will direct the accounting and financial activities of the company including the preparation of financial information, monitoring of accounting and financial activities under contract and develop systems including computerised systems.

Candidates must be qualified accountants with sound financial and management accounting experience in an insurance company and some experience in computerised systems.

Please send a comprehensive career résumé, including salary history, quoting ref. 894, to W. L. TAIT



Touche Ross & Co. Management Consultants

4 London Wall Buildings,
London EC2M 5UJ
Tel: 01-588 6844

Sotheby's

The Group Finance Department has a vacancy for an additional member of the financial management team as a result of the continuing expansion of the Group. Applicants, who will preferably be aged 24-28, will have had at least 2-3 years' corporate finance experience in a leading merchant bank or commercial enterprise.

Applications, enclosing a full job history, to:
Mrs. S. Chapman, Personnel Manager

Sotheby Parke Bernet & Co.,
34-35 New Bond Street, London W1A 2AA
Telephone: (01) 493 8080

APPOINTMENTS WANTED

International
Advertising and Marketing
Position Required

33-year-old man with extensive agency, client and publishing experience seeks entrepreneurial/development position. International co-ordination preferred. No objection to overseas base. Write to Box A.8853, Financial Times, 10, Cannon Street, EC4P 4BY.

AMERICAN MBA/CPA

Early 30s, now with New York Fortune 50 company, seeks corporate finance position. Experienced in treasury, financial planning, capital structure of markets. Available for London interviews August 20-31.

Write Box F.1130, Financial Times, 10, Cannon Street, EC4P 4BY.

ARABIC/ENGLISH/FRENCH SECRETARY

Egyptian girl, 27 years, B.A. in Sociology, bilingual in Arabic, English and French, seeks a permanent post in U.K. Has worked for a U.S. Government research unit and an embassy in Cairo. Currently secretary in British Director of an Anglo-Arab company in Cairo. Sound attitude to business, decisive, pleasant personality. Replies to Box A.8850, Financial Times, 10 Cannon Street, EC4P 4BY

VACANCIES FOR SYSTEMS ANALYSTS IN NIGERIA

The National Population Bureau in Lagos, Nigeria, requires the services of Systems Analysts to fill the following vacant posts:-

- Chief System Analyst, GL14; N9168 to N10128 per annum
- Assistant Chief Systems Analyst, GL13; N8064 to N9024 per annum

DUTIES:

(i) The Chief Systems Analyst as head of the Computer Services Division, will:

- Plan and participate in Management Education in systems and data processing concepts;
- review requests for data processing services and their impact on current and planned resources;
- evaluate new hardware and software technology and assess applicability to requirement of the organisation;
- report to management regarding performance of personnel and equipment resources, and identify significant trends.

(ii) The Assistant Chief Systems Analyst will assist the Chief Systems Analyst in his duties, including supervision of other staff in the Division, and in planning the Division's activities and budgets. He also acts as the Chief Security Officer of the Unit.

QUALIFICATION AND EXPERIENCE:

Candidates should possess a degree in Computer Sciences, or a good honours degree preferably in Sciences, or Social Sciences with Statistics as a special subject. Some exposure to Computer Systems is desirable. They must also have had training in Advanced Management practices, skills and concepts; Administrative Management; Project Control; Supervisory Techniques; Quantitative Methods; Resource Management; Budgeting and Planning; and Corporate Management policies. In addition to the above:

- The Chief Systems Analyst must have had 10 years' post-graduation working experience and held the post of Chief Systems Analyst for at least one year under a reputable Computer establishment;
- The Assistant Chief Systems Analyst must have had 8 years' post-graduation working experience one year of which must be in the capacity of Assistant Chief Systems Analyst under a reputable Computer establishment. Whilst training in Corporate Management Policies is not compulsory, candidates should have received training in Advanced Analysis and Design Techniques.

CONDITION OF SERVICE:

Both posts are pensionable and new entrants to the Public Service will normally be on probation for two years. Other conditions will be as prescribed for the time being for officers of equivalent grades in the Federal Public Service. Interested candidates should write for or collect Application Forms from the:-

Nigeria High Commission,
Recruitment Section,
8, Northumberland Avenue,
London, WC2N 5BX.
Tel: 839 1244 Ext. 306 or 106

One copy of the completed forms should be returned to the address not later than 31st August, 1979, while the second copy is immediately sent direct to:-

The Secretary,
Federal Public Service Commission,
P.M.B. 12589,
Lagos, Nigeria.

COMPANY NOTICES

Tokyu Department Store Co., Ltd.

US\$15,000,000, 6% Convertible Bonds due 1992

To the Bondholders:
We, Tokyu Department Store Co., Ltd., hereby notify that, as a result of an increase in share price, the conversion price of the above-mentioned bonds, which was fixed at US\$150 per share, is being revised to US\$125 per share. The revised conversion price will be effective from 2nd August, 1979. The revised conversion price will be US\$125 per share, effective as from 2nd August, 1979. The revised conversion price will be US\$125 per share, effective as from 2nd August, 1979. The revised conversion price will be US\$125 per share, effective as from 2nd August, 1979.

2nd August, 1979.

NOTICE TO BONDHOLDERS

Republic of Iceland 12,000,000 European Units of Account

9 1/2% 1976/1986 Bonds

Pursuant to the provisions of the Purchase and Sale Agreement, the following notice is hereby given to Bondholders that no Bonds have been purchased during the twelve-month period from July 16, 1978 to July 15, 1979.

Amount outstanding: UA 12,000,000.

August 2, 1979.

The Fiscal Agent
KREDITBANK
S.A. Luxembourg

THE "SHELL" TRANSPORT AND TRADING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN that a balance of the Register will be struck on Friday, 2nd August, 1979, in preparation of warrants for a special dividend of 10% on the ordinary shares, payable on 1st October, 1979. The dividend will be payable to the registered holders of the shares as at the close of business on Friday, 2nd August, 1979. The dividend will be payable to the registered holders of the shares as at the close of business on Friday, 2nd August, 1979. The dividend will be payable to the registered holders of the shares as at the close of business on Friday, 2nd August, 1979.

ART GALLERIES

BROWNE & BARNES LTD., 15, Cork St., London, W.1. Tel: 01-479 8454

INGRAM & WINTER JOURNEY

PHILIPPOU GALLERIES, 63, Queen's Gate, London, W.2. Tel: 01-499 8454

PROF. A. W. WHITE, 10, St. James's Place, London, W.1. Tel: 01-499 8454

PAUL & SHAW, 10, St. James's Place, London, W.1. Tel: 01-499 8454

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PAUL & SHAW, 10, St. James's Place, London, W.1. Tel: 01-499 8454

THE ARTS

Albert Hall/Radio 3
Paroles tissées
by MAX TOPPERT

Excellent. From planning Tuesday night's account of Lutoslawski's song setting *Paroles tissées* (1965), for tenor and orchestra, followed immediately on the Polish composer's newer piece for voice and orchestra, *Les Espaces du sommeil*, given its British premiere on Monday. Hearing the two in close proximity and conjunction was at the very least, a great pleasure for both are beautifully made, heard, and delivered compositions; and also a revelation for in their differences and similarities the pair afforded a clear picture of the kind of composer Lutoslawski is, and what makes his music so distinctive and so appealing.

The differences are immediately obvious. *Les Espaces du sommeil* spins out a nocturnally lyrical line, *Paroles tissées* is much more assertive, patterned on the voice, with little sustained, carefree, and much more rhythmic and contrived of vocal tone in the instrumental texture. (The impress of Peter Pears, for whom the older piece was written and by whom it was first performed, and of his tenor to its mid-50s estate, tells strongly on the cast of the line.) The fascination provoked by both lies in the way the music both decorates and extracts heights and contrasts the imagery in each case: fantastic, non-naturalistic, highly stylised—of the chosen French verse.

A comparison with Ravel often serves itself in my mind during Lutoslawski's orchestral compositions, during both vocal pieces it is more insistently, more insistently, in both composers, the surface is always immaculate, the taste unerring, the colouring applied with elegance (but seldom narcissistic) resourcefulness. And beneath the surface—beyond the activities of the musical clockmaker (which was Stravinsky's neatly turned slur on Ravel, and could conceivably be repeated of Lutoslawski)—I sense a subtle mixture of childlike wonder, emotional reticence, and romantic susceptibility.

On Monday, the composer was his own conductor; but this time, the orchestra was the London Sinfonietta, old hands at Lutoslawski, and admirable at weaving the diverse shapes of the notes into fastidiously evolving and decaying textures. The tenor was the Belgian, Louis Devos (Aaron on the Boulez-recording of Schoenberg's opera); his sense of pitch was not always beyond approach, but the tone was clean, well-formed, expressive without the least touch of assertion, and the sound of the language sung clearly and precisely by a native was always a pleasure. In its own right, two serenades framed this vocal centrepiece—Mozart's for 13 instruments in B flat (K361), a long, first half, and Brahms's Second, in A. The conductor of both was David Atherton, a possible if not notably eloquent Mozartian (but he had the inimitable advantage of Janet Craxton's obbe and John Price's bassoon as *prima donna* and *primo uomo* of the woodwind cast). Mr. Atherton proved too anxious to avoid Brahmsian heaviness of sonority and the alternative dangers of insipidity were not always avoided.



Jessica Tandy and Hume Cronyn

Lyric
The Gin Game
by B. A. YOUNG

Connoisseurs of acting must make their way at once to the Lyric, to see Hume Cronyn and Jessica Tandy in D. L. Coburn's *The Gin Game*. They play two old people in a run-down old folk's home. As they bicker over their increasingly quarrelsome games of gin rummy they traverse the whole spectrum of human emotion—with one important omission, love. Hardly a glimmer of affection is detectable all evening.

Weller Martin (Mr. Cronyn) sits on the stoop of the vast, grimy house—beautifully designed by David Mitchell—in ceaseless trousers, a pyjama top and a cardigan, endlessly playing patience. The arrival in the home of Fonsia Dorsey (Miss Tandy) stimulates him as a fly in his web stimulates a spider. In a minute he has her playing gin, at which he reckons himself a killer. Fonsia, having been reminded of the rules, beats him at every hand.

Mr. Cronyn's mounting irritation is marvellous to see. He gives Weller a mouth like the slit in a pillar-box. It is seldom used to smile, though occasionally for a mocking laugh; it serves to issue brusque commands ("Card"), to swear and to abuse. After the first game, though it has been thoroughly lost, Weller tries to smarten himself up; but Fonsia's constant success stymies any attempt to please and leads ultimately to his throwing the table over and even lashing out with a stick.

Fonsia sits serenely on her side of the table, complaining only when Weller's language becomes too dirty. But she is no angel of light either. Quarrels over cards are not the only dialogue Mr. Coburn has to offer. Little chips of past

La Rochelle—2
Last rites
by DOMINIC GILL

This was, as I wrote last week, Claude Samuel's last season of Rencontres Internationales d'Art Contemporain at La Rochelle. Founding such a festival may not be easy; but keeping it running means in France steering a tricky course indeed through a tangle of conflicting interests and loyalties, and ideological crossed lines. Since 1973 M. Samuel had managed in his own fashion to offer a lively 10-day programme of new and recent work, cheaply and with cheap accommodation available, in one of the prettiest Atlantic towns of France—but this year shrinking budgets and local politics intervened. The withdrawal at the eleventh hour of the support of La Rochelle's *maison de la culture* meant that nearly half of the planned programme of music, dance and film had to be cut or cancelled entirely; only the festival's main musical theme, an ambitious retrospective in seven concerts of the work of Maurice Kagel, remained whole and intact.

The performers' competition, formerly the Olivier Messiaen Piano Competition, had been expanded when M. Samuel moved from Royan to La Rochelle to embrace other instruments than the piano. Last year it was for the flute, and this year once again for the piano—although it suffered nearly the same fate that it had in 1977 during a festival devoted to a major John Cage retrospective, when it had attracted only one entrant, a Japanese boy of 17. (Cage, of course, had been delighted, not caring a great deal for the idea of competitions in any case; and had put the whole happening down to his own benign Zen influence.) This year there were three candidates, none of any more than the paltry promise—a patient jury heard some painful performances, one or two that were decent, none that was outstanding, and awarded eventually only one second and one third prize.

The Kagel programme, fortunately, was substantial enough to carry the musical weight of the festival by itself. A concert presented by the New Philharmonic Orchestra of Radio-France could have been more enjoyable if the playing had been tauter and brighter. Amy's own *Adagio e Stritto* (as the title implies) is in the nature of an academic exercise—skillfully made and prettily textured, but without real direction or centre. I imagine that a truly hard-driven, virtuosic performance might lend the music a certain vaporous sparkle; but the surface of this rather deliberate account was obstinately dull. Amy and his orchestra also gave us the premiere in France of Lutoslawski's *Les espaces du sommeil* (first heard in this country at last Monday's Prom), nervously sung by the baritone Michel Piquemal; and a decent but lacklustre performance of Bartok's Music for strings, percussion and celesta. Disappointing: for we were all of us, after a week of experimental music-theatre, looking forward to hearing the familiar sound of a symphony orchestra again—and ready to forgive much, except dullness of spirit.

But another welcome meeting of these last Rencontres at La Rochelle, and never dull, was with the winner of the previous year's competition, the brilliant Hungarian flautist István Matuz. I have praised Matuz more than once before on this page, after hearing him play in Budapest—and each occasion has confirmed the view that he is one of the finest and most exciting flautists in Europe today. He plays on his instrument as if it were a living creature, with burning energy, consuming concentration. He began his short afternoon solo recital with Jolivet's *Cinq incantations*, which with the composer's consent he embellished with all manner of additional material, new fingerings, phrasings, chords and harmonics—a version multi-phonique which makes of the flute another instrument entirely, a voice of astonishing range, articulated in the smallest detail, sustained in purest string legato by means of circular breathing techniques.

For Takemitsu's *Voix* his flute took on another Umbre—the dark-blue, liquid tones of the *shakuhachi*; in *Plus Alpha* of

Wigmore Hall
Stuttgart Trio
by DAVID MURRAY

On Tuesday the Stuttgart Piano Trio sounded energetic, efficient, sensible; more might have been expected, but it was a close and snug evening. Though they sound excellently matched in principle, Monika Leonard at the piano (with its lid fully open, probably a mistake) over-balanced her male colleagues throughout most of the first half of the programme. Beethoven's *Gesamte Klavierop.* 70 no. 2, with its dramatic character in the outer movements, with the famous Largo, and the thick and ponderous to capture its series spirit, in a more familiar hall, one could believe that these players would disclose more of what the music holds.

The Shostakovich Trio in E minor, op. 87, again seemed excessively well-tuned. The treacherous (thumb-position) flat notes at the start were brilliant, Klaus-Peter Rahn, a couple of anxious moments, and the majestic, glassy quality of the work was not firmly established. They all seemed confident with the furthest

Scherzo, which churned and roared as it must, but then an efficient, sensible, more might have been expected, but it was a close and snug evening. Though they sound excellently matched in principle, Monika Leonard at the piano (with its lid fully open, probably a mistake) over-balanced her male colleagues throughout most of the first half of the programme. Beethoven's *Gesamte Klavierop.* 70 no. 2, with its dramatic character in the outer movements, with the famous Largo, and the thick and ponderous to capture its series spirit, in a more familiar hall, one could believe that these players would disclose more of what the music holds.

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Buxton Opera House
Lucia di Lammermoor
by RONALD CRICHTON

The Buxton Festival is reborn. In the days of Lilian Baylis and Tyrone Guthrie the programmes were based on drama. The Opera House was used but not for opera. Now that building, unlike some that bear or used to bear the name in these islands capable of housing an opera company, will have a spell of glory each summer with opera as the main feature and drama and other attractions as well. Two weeks ago, this year but more hereafter, each festival will have a theme—a well-known writer and his influence. This year's cultural clothes-prop is Scott, and the opera, Donizetti's *Lucia di Lammermoor*.

The designer of the Opera House, opened in 1803, was Frank Matcham, a successful Edwardian theatre architect. Lately it had been used as a cinema, but was found to be surprisingly good working order. Renovation, refurbishment, and where necessary modernisation were carried through with remarkable speed and to judge from outward appearances, great skill by Arup Associates and Theatre Projects Consultants. There are 1,000 seats and room in the orchestra pit for 80. The auditorium is comfortable, not too crowded, a little fussy perhaps in the way the stucco has been picked out with dark paint round the proscenium arch—neither the detailing nor the shape of the whole are as elegant as, for instance, the earlier Theatre Royal at Glasgow. Buxton, however, has something most commercially built theatres in these islands (the Glasgow one, especially) sadly lack—adequate foyer space, in this case a whole succession of conservatories and public rooms.

Lucia was a natural if obvious choice for a new festival. One could hardly expect them to kick off with something more potentially interesting—say, Rossini's *La Cenerentola*. At least producer and conductor (Malcolm Fraser and Anthony Rose respectively) artistic and musical directors of the festival) approached the work seriously, restoring cuts and using a composite set by Roger Butlin, all Gothic arches, towers, scudding clouds and a glimpse of a vast pile (more like Harlech than a Scottish castle, but never mind) that gave an impression of feudal history seen by flashes of lightning. Fay Conway's costumes distinguished firmly between Cavalierish Jacobite followers of the Ravenswood and severely black-and-white Presbyterian Ashtonians. Adherents to both sides were made up with white-coloured faces and dark gashes for mouths—a plague on both their houses, I suppose.

Good intentions, alas, were not fully realised at the first performance on Monday. The soprano, Monica Pick-Heronimi, fell ill that morning and had to be replaced. Deborah Cook was flown in from Munich just in

time. Since Miss Cook was unfamiliar with the full version, some things had to be omitted, unfortunately including the duet for Lucia and the chaplain Raimondo (*Side-the-Bent*). Lucia's predicament compels sympathy; but her music, expertly tailored to the voice though it is, can remain unmoving, without a singer with the timbre and personality to bring it to life. Miss Cook has agility and she is musical, but not strongly individual. Nevertheless, for the courage and professionalism she showed on this occasion she deserves much praise.

The Edgardo was a casualty of a different sort. Fausto Tensi, a Swiss tenor who has sung Don Carlos at La Scala and is to repeat the role at the Met, started promisingly but ran into trouble. He recovered intermittently (there were some ringing phrases in the duet with Enrico forming the first scene of act 3) but was in poor shape for the final scene, by which any Master of Ravenswood must be judged. Karl Nurmela, a Finnish baritone, sang Enrico. He has a sturdy voice and pressed on it mercilessly, conveying unyielding hardness with, precisely, unyielding hardness. In the later scenes there was some welcome respite and some good phrases. The theatre's acoustics are both clear and revealing. Good notes sound good, bad ones bad. Faults like unclear attack or undue pressure are instantly exposed. Singers must be urged to listen to themselves, objectively if possible.

There was not on this occasion much left of Raimondo's part. Paul Hudson does not really have the steady, legato line for this music but he made the most of his dramatic moments—the description of poor Lucy's plight before the mad scene and immediately after it—the chaplain's furious rounding on Normanno, the creature who grased about Edgar and Lucy in the first place (this short scene in recitative is well worth having back). Among the smaller roles, the confidante of Moira Griffiths was exemplary. The Festival Chorus showed that Donizetti's set-pieces need not be banal run-down, to the pit the Manchester Camerata started well but the tone thinned out as the evening went on. The 18 violins listed sounded fewer. No doubt the conductor Anthony Rose was mainly and understandably concerned with nursing his heroines.

The opera is supported by an excellent exhibition, "The Lamp of Memory," in the new Art Gallery—Scott-inspired paintings including a sketch by Delacroix and a couple of Millais. Downstairs by the entrance is a display about Scott in the 19th century theatre and about the early days of the Opera House. Next year Shakespeare, with Berlioz's *Beatrice et Benedict* and the Hamlet of Ambrose Thomas. I keep on wondering under which great writer's wing they are going to sneak in Mozart.

South Bank Summer Music 1979

The eleventh season of South Bank Summer Music and the second under the artistic direction of Pinchas Zukerman begins on Sunday, August 5 through to Sunday, August 26. This year the emphasis is on Mozart and French music from 1830, while Pinchas Zukerman himself will appear both as soloist and conductor on a number of occasions.

In the opening concert on August 5 at the Festival Hall Zukerman will both conduct

Country Cousin
Frankie Howerd
by MICHAEL COVENEY

If you wish to have dinner, see a show and not go to the Talk of the Town, London has little else to offer, and little better, than the Country Cousin at the Fulham end of the King's Road. For two years, these columns have recorded the venue's success story in attracting such major international artists as Dolores Gray, Gotham, Charles Pierce and, for his first London cabaret appearance since the last days of the Establishment Club in 1964, the morose nonpareil, Frankie Howerd.

I have rarely experienced an hour in the theatre so faster than did Mr. Howerd's turn on Tuesday night. He gives the distinct impression throughout of wishing he were somewhere else, as he casts jocular aspersions on the clientele, the food, the proprietor and the unlikely location of the restaurant. All very different from Great Yarmouth, he splutters, failing to finish yet another sentence in a torrent of oohs, aahs and "I should say so's." The raddled moonface surveys the unkindly

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Annual Report Highlights (£ millions, except per share data)		
Income Data	1978	1977
Sales	359.8	316.5
Earnings before special adjustments and taxes	8.6	15.5
Taxes	3.9	5.9
Reported net earnings	2.8	3.4
Per share	0.90	1.11
Adjusted net earnings	3.6	7.3
Per share	1.17	2.36
Other Data		
Order bookings	397.7	349.2
Order backlog at year-end	382.1	341.4
Investments in property, plant and equipment	10.8	8.4
Employees at year-end	11,540	11,182
Dividend per share	0.06	0.06
£ amounts translated from Swedish kronor: Skr 8.73 = £1.00.		

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Thursday August 2 1979

Making fair comparisons

THE REPORT of the Clegg commission, as it is generally known, has been promptly accepted by the Government. It has some cause for relief in its findings, and also by the unions, some of whom must be concealing sharp disappointment. In cash terms the award is a good deal less than might have been feared—about £230m for local authority and university manual workers, weekly service ancillaries and hibernation combined. It does much to widen differentials within the public service. And nothing at all to address the unions' claim to be the reprobate of low pay.

Resisted

These results reflect the fact that Professor Clegg and his colleagues have resisted some of the unions' pressure to go beyond their exact terms of reference, and use the exercise as an occasion to establish a "fair" level for minimum pay, or to take the lead in enforcing pay equality between the sexes. They have taken the view that comparability means exactly what it says—a reflection of the outside world's practice and all. Last winter's strikers have got what they demanded, but not what a great number of them expected. The comparisons suggest that the private sector used the shillings under the Labour government's promise to restore differentials in skill and responsibility, and the comparison has now had the same result in the public sector. This is a welcome outcome from the point of view of incentive to win promotion and assume responsibility, which is the most worthwhile incentive in many parts of the public service. But it also reflects another welcome fact. The Commission has not used the excuse of the very limited time allowed for its exercise to dodge the difficult questions. It has approached the task in a way which suggests that its formal title—the "Commission on Pay Comparability"—will have more interest and will no doubt return to the charge in due course. The idea that the Clegg approach would obviate public sector disputes was never plausible. If the exercise were honestly performed, that has been done.

The lessons of Lambeth

LORD PATRICK JENKIN, the special services secretary, was right to act quickly and forcefully against the unelected health authority in south London that was attempting to usurp parliament's right to determine the level of spending. The National Health Service, even opponents of the present government's policies should feel little sympathy for the suspended members of the Lambeth Area Health Authority. Under the previous administration too they systematically ignored Government instructions on spending, and the ultimate victims of their intransigence would be not cash limits or money supply targets, but people living in their areas of the South East Thames Health Region.

It is to be hoped that the whole affair will draw attention to the "courage" of the local authority, but to the fundamental defects in the administration of the NHS and also in the Government's whole approach to controlling public expenditure.

Structure defect

As the Royal Commission on the NHS reported earlier this month the most obvious defect of the NHS lies in its structure. The chain of command from government to Regional Health Authority, to Area Health Authority, to District Health Authority or General Practitioner Committee has at least one totally redundant link. This wastes precious resources. A reduction in administrative staff to the 1973 level would cut NHS manpower by almost 3 per cent, but the bureaucratic tangle is itself harmful in itself, because it can be exploited by uncooperative officials to prevent important decisions being taken.

More broadly, the affair throws a spotlight on the government's policy of controlling public expenditure by setting broad limits, while leaving detailed decisions on cuts to programme administrators. It is hard to believe the Lambeth health authority's claim that it could not find ways of trimming its budget by 3.6 per cent without causing the deaths of "over 200 people." Now that control is out of its hands, the government hopes to make its savings in administration and non-emergency services.

indexation, based either on average earnings in private industry or on the idea of preserving in real terms the best relative position ever achieved in the past by any given group. Such indexation, the Commission argues, must first have an objectively determined starting point, which is likely to be somewhere lower in the scale than the all-time peak. It must in addition be checked periodically to reflect changes in relative pay between different grades and occupation in the outside world, and also changes in working practices—for example, overtime and shift work—in the commercial sector. Indexation is at best simply a way of avoiding a full scale comparability study every year.

Rough and ready

Secondly, the Commission has taken account of non-pay factors, in a rough and ready way. It has valued the superior pensions paid in the public sector, and adjusted pay accordingly. It has given no weight this year to comparative job security; this is probably fair, as long as the government continues to enforce cash limits firmly enough to act as a proxy for competitive pressures elsewhere.

It has found it impossible to quantify the state of the labour market in pay terms, but offers instead the sensible observation that where ease of recruitment differs sharply between two apparently comparable occupations, then the standards of comparison are clearly wrong and should be reviewed. It has also given due weight to job analysis in valuing work where no precise outside comparison seems available.

These all seem sound and objective criteria. The exercise will not of course solve all problems. Such trade union leaders as Mr. Alan Fisher, who want to exploit the comparatively strong unionisation of the unskilled in the public services to lead the march of the low paid will have all their previous suspicion of comparability reinforced, and will no doubt return to the charge in due course. The idea that the Clegg approach would obviate public sector disputes was never plausible. If the exercise were honestly performed, that has been done.

The point is that programme administrators have few incentives, apart from their consciences, to plan spending cuts in a way that will cause minimum disruption. In some cases they may be so unscrupulous as to impose unnecessary hardship on the public in the hope of getting increases in their future budgets. The government must accept responsibility for the painful task of setting clear guidelines for the cuts itself and leave as few policy decisions as possible to unelected programme administrators.

The persistent failure of governments to accept responsibility for controversial health decisions is largely to blame for the genuine difficulty with which the Lambeth health authority has been faced. Health resources are allocated largely on the basis of population, which has been declining in inner London. Lambeth has been receiving more per head than other parts of the country and it was this inequality that the recent series of cuts were designed to redress. But Lambeth is also saddled with the huge costs of running three of the nation's leading teaching hospitals. The present system of resource allocation takes insufficient account of this. However, the more fundamental problem is that three teaching hospitals are concentrated in Lambeth where they are not required.

Relocation

As a result, despite overfunding, Lambeth's standard of health care is below the national average. Three teaching hospitals are absorbing funds that would be better spent on community health care and geriatric provision. Other parts of the country, on the other hand, are suffering from a serious shortage of specialised hospital facilities.

Relocation of several of London's 12 teaching hospitals was first recommended by a Royal Commission 11 years ago. But nothing has been done and no government has even stated a policy, partly at least because the many layers of bureaucracy in the NHS have made a long-term strategy on hospital location extremely difficult to devise or implement. Despite opposition from many doctors who prefer working in London, this is another battle that the government must now grasp.

BY MARK WEBSTER

NIGERIA'S decision to nationalise BP's interests is bound to have widespread economic and political consequences both in Nigeria and further afield. But although the British Government has already complained that the move was unjustified and the timing hopelessly inept, it was by no means unexpected.

Most observers reject as at best a half-truth the Nigerian explanation for the takeover of BP's 20 per cent stake in the Shell-BP operating company and the 40 per cent equity in BP's marketing company within the country. A statement from the federal military government on Tuesday said BP would be bought out because the company wanted to sell "North Sea and non-embargoed oil" to South Africa. The statement went on that this was just a "clever ruse" to sell Nigerian crude to the "racist regime" in Pretoria.

BP has told the Nigerians that there is no chance of South Africa obtaining Nigerian crude through the company. However, given the timing of the Nigerian move on the eve of the Commonwealth Conference, it is apparent that Lagos has other motives for its action. The main one, certainly, is to warn Britain over its policy towards Zimbabwe-Rhodesia and the possibility of Britain recognising the government of Bishop Abel Muzorewa.

Given that this is the main reason, there are others explaining why BP has been picked, and boy.

Nigeria's involvement in Southern African affairs goes back a number of years. As the most populous country on the continent and the possessor of considerable oil wealth, Nigeria has long considered itself the unofficial leader of Black Africa.

Apartheid is such an emotive issue with the Lagos Government that it has shown itself prepared, at least to some extent, to sacrifice even its own immediate interests in order to pursue its hard line over Southern Africa. It enacted a law banning companies from doing business in Nigeria if they had connections with South Africa and withdrew all Government funds from Barclays Bank because of its Southern Africa interests.

At the same time the government has displayed some pragmatism in its approach to enforcing that law because of the great number of companies vital to Nigeria's own economic interests which do have links with South Africa. Nevertheless, Nigeria is extremely sensitive about being accused of taking a "paper tiger" stance towards companies dealing with South Africa, and the BP move was to prove that it was in earnest over its stand.

No other country in Black Africa can hurt British interests as much. UK companies have more than £2bn invested in Nigeria. Trade, worth more than £1bn to British exporters



GENERAL OBASANJO of Nigeria—government spokesman condemned 'clever ruse'

In 1977 and 1978, may drop to only £600m this year because of Nigeria's tight economic situation, but is expected to pick up again in the coming year. In an attempt to reassure other foreign companies operating in Nigeria, the government said in its statement on Tuesday that they would be safe as long as they respected Nigeria's sensitivity on the question of apartheid. It is unlikely that British companies will feel very reassured. The Nigerian government is already discriminating on purely political grounds against British companies which tender for government contracts, the business community here says.

But there are good reasons for thinking that BP is the only company immediately in the Nigerians' line of fire. The company has already attracted criticism from the government over sanctions-busting oil deliveries to Rhodesia after UDI. More recently the company lost a part of its oil entitlement when a tanker indirectly owned by the South Africans called to collect crude at a Nigerian port.

Observers here feel, therefore, that no further action can be expected from the Nigerian government until Mrs. Thatcher makes known her policy on Zimbabwe Rhodesia. If for no other reason than that Nigeria is unlikely to want to divide African opinion further between the hard-line countries like itself and Tanzania which want tighter sanctions against southern Africa and the "moderate" African states which want to proceed by dialogue.

Nigeria and Tanzania have been reported to be pressing hard for a commitment by all member countries to impose sanctions against the West, especially Britain, in the event of the Muzorewa government being recognised or sanctions lifted. But a number of African countries, particularly among the francophone states, have come out against such an idea. Although there is universal indignation at apartheid, there are wide differences of approach as to how it should be ended.

Observers feel that Nigeria

could find itself almost isolated if it tried to impose sanctions against Britain should Mrs. Thatcher recognise Bishop Muzorewa's government. Many of the other countries on the continent would find themselves in very difficult financial situations if such sanctions were imposed. Moreover, they can now point to Mrs. Thatcher's much more conciliatory attitude towards recognition.

In a recent Commons speech, Mrs. Thatcher said there would have to be major changes in the constitution of Zimbabwe-Rhodesia before recognition would be considered. There could then be all-party talks, presumably including the Patriotic Front, and there would have to be widespread international support for any settlement before Britain would accord its recognition. All these points are very much in line with what Black Africa has been demanding.

Yet Nigeria's move shows that Mrs. Thatcher still has a credibility problem where Nigeria is concerned which her recent policy shifts have not bridged. In fact, the Nigerian takeover has made it much harder for her to pursue her conciliatory line. She can also expect a hard time from her Right-wing when she gets back from Lusaka because better relations with Nigeria were one of the main reasons for taking a more conciliatory line over Zimbabwe-Rhodesia.

National asset

But there are two other important reasons why Nigeria has taken its action against BP now. The first is the imminent departure of the present military government from power. A civilian government is now being elected which should take over from the military on October 1. But, despite a desire to punish BP for what is seen as past misdeeds, and to insure against future repetitions, the new administration's undoubted preoccupation with domestic issues initially would have made it unlikely that BP would ever have been taken over.

Secondly, circumstances have made it possible to take into public ownership an extremely

BRITISH COMPANIES WITH LARGE INTERESTS IN AFRICA

	Amount of profit from Africa (£m)	% of total profit	Remarks
Unilever	102.0	15.5	Includes £46m from interest in UAC—primarily Nigeria. East and Central £35m, West £7m, Southern £23m.
Lonrho	65.3	69.7	West Africa and Kenya.
Paterson Zochonis	12	77.2	Attributable profit of £1.6m from Rhodesia not consolidated, Nigeria and South Africa.
Blackwood Hodge	9.5	35.2	
Dunlop	11.08	17.1	
Barrac	7.5	37.0	Mostly Nigeria, no subsidiary in Southern Africa.
Low and Bonar	4.0	42.3	East, West and Southern Africa.
Guinness	3.5	8.0	No subsidiary in Southern Africa.
Metal Box	1.0	1.7	
Inchcape	0.5	1.2	

MEN AND MATTERS

Power struggle in deepest Kent

An environmental protest group with unusually good connections is just launching its campaign. An impressive, if semantically eccentric, Press release reached me yesterday, setting out the objectives.

The Anti-Converter Station Group opposes the erection by the Central Electricity Generating Board of a large converter station near four Kent villages—Aldington, Brabourne, Sellindge and Smeeth—where the Group's members live. The station will be part of a £300m link between the British and French electricity grids; it is said by the authorities to be splendidly economic for both.

Three pillars of society dwelling near the proposed site have discreetly helped in setting up the group. They are Lord Aldington himself, deputy chairman of the General Electric Company (GEC) and chairman of the National Nuclear Corporation; Sir Frederick Atkinson, chief economic adviser to the Treasury; and William Deedes, former Conservative minister and now editor of the Daily Telegraph.

Deedes was characteristically open on the matter when I telephoned him to ask about this tightly knit group of highly-motivated men. "We all thought we should lend a hand. Actually, Lord Aldington and myself are less affected by this thing than Fred Atkinson—we're over the hill. He'll have it right beside him."

From his position on the GEC board, Lord Aldington has been well placed to watch the progress of the project. GEC had the design contract.

The villagers of Aldington, Sellindge and Smeeth are voluntarily raising their rates by 4p to collect £14,000, the estimated cost of counsel to represent them at the planning enquiry scheduled for November. They do not dispute the need for the station, but as is the way with

pressure groups, they want it to go somewhere else.

Nearly Dungeness, which already has two nuclear power stations, is the group's first choice. "But I think the Board don't want to go there because of all the things that have gone wrong in the past," says Deedes. "They probably think it's haunted or something."

Nothing of the sort, says the Board. Dungeness cannot be considered because the rocky seabed off its coast is unsuitable for burying cable. It would also be many millions more costly.

"The proposed site is between a new motorway, a railway line and a sewerage works," said a CEG spokesman. "We're not talking about unspoilt rural England, exactly. This scarcely accords with the kind view of their Kentish acres held by the protesters."

Called to account

As someone who fell asleep at the Sun et Lumière in the Rome forum, I will not be queuing to get tickets for next year's centenary of the Institute of Chartered Accountants. One of the delights on offer is a "dramatic presentation" of the institute's history, complete—so says the programme—just mailed out to members—with actors, film and slides.

The institute was fast to scotch any hopes that tales of intrigue, violence and murder would be unfolded by the actors. Apparently the main thrust of the story will be devoted to the changing role of accountants since 1880. As concession to faint-hearts, however, the institute may step outside its own history by a few years to include a comment on the profession by Mr. Justice Quarm, of the Queens Bench Division in 1875.

Complaining that a hapless accountant had wasted the court's time he said, that bankrupt affairs had been "handed over to an ignorant set of men called accountants,



"Could we go by Gatwick? We've already had two holidays at Heathrow."

which is one of the grossest abuses ever introduced into law."

Nothing more interesting than this, according to the institute yesterday, happened in the subsequent century. Can this be true? In my concern to provide the institute with a little more drama for its presentation I will publish the best accounting story I receive within 14 days.

Keen researchers are directed to a 50-volume facsimile set covering the history of accounting, now being published, taken from the institute's library. They are not, however, allowed to enter the £2,500 price-tag into the competition.

Scotch mist

The mystery, to which I referred yesterday, of who owns the island of Iona, is continuing. Sir Hugh Fraser, who bought it six weeks ago for £1.5m from the Duke of Argyll, thinks he has given it to the nation. But apparently the nation has not yet accepted it.

According to the Scottish Office's Iona expert, tracked down in the Hebrides, the



PRESIDENT KAUNDA of Zambia—patience, running out

valuable national asset. That BP was not nationalised earlier, most observers believe, was a reflection of the poor state of the market for Nigeria's oil. This time last year Nigeria was finding it very difficult to place its light crude on the market because of its insensitive pricing policies. Now, with the oil market buoyant, it is having no trouble at all.

Everything points to Nigeria's stopping its punitive actions with BP. Even so, the takeover has undoubtedly heightened fears in the business community that it is only the thin end of the wedge which marks the end of substantial British investment in Nigeria. Added to that is the uncertainty which the business community feels over the forthcoming transition to civilian rule. Overall, the investment climate is looking rather sour for the time being.

However, if British interests are further punished there is no apparent shortage of seekers after a slice of the Nigerian cake. Both France and West Germany have substantial interests in the country and the U.S. is keen to increase its own small investments and trade with Nigeria. If the government is banking on having enough new clients to fill Britain's place, it would probably not be disappointed.

The long tightrope facing Britain's interests in Africa

BY DAVID TONGE, DIPLOMATIC CORRESPONDENT

There is no simple choice between black and white Africa. Economic factors dictate that Britain needs both—even if having both is proving as difficult as walking on eggs.

Until the mid-1960s the location of British interests backed up the arguments in favour of "kith and kin." The greatest part of Britain's trade with Africa was with South Africa, and the lion's share of British investments was also in southern Africa. Arguments about the need to protect the Cape shipping lanes were buttressed by the importance of South African mineral reserves.

The strategic argument is still voiced occasionally, as more convincingly, is that about minerals. South Africa holds major shares of world reserves of the platinum group of metals (86 per cent); chrome (33 per cent); vanadium (64 per cent); gold (49 per cent); and manganese ore (43 per cent). Overall, its share of production is smaller, ranging from 59 per cent of world gold production to 24 per cent of manganese ore production.

Alternatives

The location of the other main reserves of platinum, vanadium and manganese is the Soviet Union—South Africa and Russia have between 83 and 99 per cent of world reserves of these three metals. However, for all these metals except gold alternatives do exist which means that in the medium term at least the total loss of South African minerals—an unlikely prospect—could perhaps be weathered.

South Africa together with Namibia, accounts for one-fifth of world diamond production, though South Africans have a virtual monopoly of diamond marketing. The argument about investments has become more shaded. For a long time British investments in Southern Africa greatly outweighed those elsewhere. Today this is still true, but to a lesser degree. Estimates of total British investment in South Africa range from £4.5bn. Investments in black Africa, including those of banks and oil companies, are worth a minimum of £2bn and possibly as much as £3.5bn.

There is some confusion about the exact totals involved but the latest investment is estimated to be in Nigeria (£1.2bn), followed by Kenya and Zambia (£950m each), Malawi (£200-400m), Ghana (£200m) and Zaire (£100-150m).

British interests in Uganda have been largely nationalised as have those in Tanzania, with the notable exception of Shell and the South African company, Anglo-American.

Earnings from South Africa appear to outweigh those from black Africa. In 1976 the net earnings of British companies (excluding the oil companies) and their unremitted profits totalled £266m in South Africa, compared with £193m from black Africa. But the pressures against apartheid are beginning to affect com-

panies. Last year a number of major companies such as GEC, Baxal, Reed International and Tate and Lyle sold assets in South Africa.

In all these fields there is thus the powerful presence of black Africa on the scene. But in the case of trade it is over twice as important as South Africa.

The production of oil by Nigeria which began in 1958 has changed the overall trading picture. Nigeria is now the fourth largest oil producer in the world and its spending spree has led to its becoming Britain's ninth largest export market last year.

Over the past seven years black and white Africa have taken a total of around 3 per cent of British exports, with modest gains by black Africa compensating for a fall in the share of British exports to South Africa: last year British exports to black Africa totalled £4.3bn compared with exports to South Africa of £1.5bn.

However, imports from these countries have become less important to Britain, their share of total imports falling from 7.4 to 5 per cent. South Africa's share has remained steady, at just over one-third; in 1978 its imports from Britain totalled £1.5bn. The other main economic factor is that of the sterling balance. This has become less important in recent years. Neither Nigeria nor South Africa thus appears to be in a position to cause a run on the pound—though Nigeria at least had been in such a position before it divested itself of large holdings of sterling in 1976.

Such naked statements of the magnitudes involved are highly misleading in at least one important sense. South Africa has little option but to deal with Britain and the West whereas black Africa is making it increasingly clear that it is prepared to consider other options.

Firing line

However, that point too needs qualifying. In the first place, virtually no black African country has the economic independence of Nigeria. In the second, only a few are directly dealing with Southern Africa, as at present in the firing line.

These points often lead British officials to adopt a sanguine attitude, and to argue that most of the moderate states will not follow where Nigeria leads. But companies specialising in business with black Africa dispute this. They cite Tanzania as an example of how some countries are prepared to cut off their nose to spite their face—and are all the more likely to do this in the present heated mood. The patience of Zambia, in particular, appears to be running out. There is no indication that Dr. Kenneth Kaunda, its Prime Minister, has backed down from his demands that the oil companies in particular should be held to account for their part in supplying Rhodesia.

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Observer

Unbelieving monetarists are not enough

(The efforts to hold back public spending and money supply depend too exclusively on Prime Ministerial will power and the private convictions of the Treasury team, and not enough on coherent published analysis and argument)

THERE COULD hardly be a more difficult period for the Government to carry out its combined experiment in attempting to control inflation by monetary means, put a brake on state aid to industry and revive market-incentives. The world is moving into both recession and higher rates of inflation. British industry is moving into a cash and profitability squeeze. The policy is being conducted against a background of a high exchange rate, which increases the chances of holding back inflation, but which is also increasing the clamour for a change of course, whether towards monetary relaxation or protection, or a bit of both.

There is, of course, never a good time either for imposing monetary restraint or for checking the policies of the pork barrel—which is what the industrial strategy had increasingly become. Indeed, the money supply guidelines and public spending curbs introduced courageously by the last Labour Government at the time of the IMF negotiations in 1976 occurred when unemployment was somewhat higher than at present and vacancies very much lower, and when the domestic economic forecasts were also looking pretty dismal. Today, despite the official jobless figures, there is a notice at Notting Hill Gate underground station saying that there are delays on all lines because of staff shortages. The employment agency next door is full of harsh advertisements to tempt temporary secretaries to sign up for work.

The immediate threat to present policies arises from the pressure of the industrial lobbies over the combination of a high exchange rate and supposedly high interest rates, which are looked at in wholly nominal terms without allowing

for the fact that inflation brings a 14 per cent base rate down to between 3 per cent and minus 3 per cent depending on whether one looks at the recorded rate of price increase or that officially forecast for next autumn.

My guess is that the Government will ride out the immediate pressures. My fears are much more for 1980 to 1982: and they are based mainly on the fact that the present policies have no clearly stated intellectual foundations, although some of them are capable of having such foundations. The efforts to hold back public spending and the money supply depend too exclusively on Prime Ministerial will power and the private convictions of the Treasury team and not enough on coherent published analysis and argument.

One should not underestimate will power, but on its own it is not enough. One Labour minister, sympathetic to present efforts to curb spending, said to me that the only way to get action was to have a scare: such as the one on sterling in 1976 or the more generalised gloom and doom stories of today; and he endorsed the tactics of those ministers who tell the Press that the situation is "even worse than they thought it was only a week ago." Such scare tactics may work for a little while, but they are no substitute for rational conviction for the longer haul.

Let me come to the point. I find it scarcely credible that after years of contemplation, the Conservatives did not bring into the Treasury on Day One a single outside academic wholeheartedly committed to a market economy and monetarist approach. Some Treasury officials themselves express astonishment at the continued failure to do so. It is no secret that

Mr. Denis Healey was frequently dissatisfied with the one-sided "Keynesian" nature of the advice he received. But casual conversations with outside academics—or even the perusal of columns such as this—cannot be a substitute for a top level in-house adviser with daily access to papers and discussion.

At present not only are there no outside academics in the Treasury. But the full-time appointments which have been made in the Number Ten and Cabinet Office complex are of businessmen, efficiency experts and progress chasers. At the Department of Industry, Sir Keith Joseph has to the best of my knowledge no outside market-economist to advise him which of the Department arguments for caution are good ones and which (such as the argument that other countries subsidise industry) ought to go straight into the wastepaper basket.

There is not the slightest suggestion that Treasury officials are trying to undermine policy. On the contrary they are pursuing short term monetarist policies with loyalty, zeal and determination. Treasury Ministers have nothing but praise for their efforts, and officials for their part still seem to be genuinely enthusiastic about their new Ministers, even those who started life as financial journalists. Nor are their

efforts just blind loyalty. For, however great their inner doubts or their expectations of U-turns before too long, top Treasury advisers—after the buffeting they received in the mid-1970s—have no real alternative to suggest to the present strategy.

Paradoxically the "fanatical" elements which Mr. Callaghan and Mr. Healey fear will give monetarism a bad name, arise from the absence of convinced monetarist economists around the Chancellor and Prime Minister. Permanent Treasury officials have to show their monetarism by being more rigid and unbending than monetarist advisers on the outside would have to be. Convinced Catholics in a Catholic country are well known for their flexibility on essentials and their willingness to joke about their own beliefs and argue among themselves. Conventional officials carrying out monetarist policies are more like Low Church Protestants performing a high Mass with meticulous accuracy, but little real feel for the nuances.

To take a few examples. Professor David Laidler who is one of the most distinguished international monetarists has frequently said that there is no harm in modest experiments in fiscal fine-tuning with the framework of a firm gradual long-term target for reducing monetary growth. Professor Terry Burns and Mr. Alan Budd

were able to view without any alarm in the London Business School Outlook a deterioration from £8.2bn in 1979-80 to £10.9bn in 1980-81 in the PSBR because it represented the temporary effects of recession, and saw it as consistent with a long-term plan for reducing PSBR as a proportion of the national product. Mr. Gordon Pepper, of Greenwells, has in past recessions explained that some increase in the PSBR could be accommodated because savings would then be high relative to investment intention.

Flexible VAT

Professor Patrick Minford, who believes in a balanced budget in a normal year and a maximum marginal tax rate of 50 per cent—not 60 per cent—nevertheless suggests (in a forthcoming Institute of Economic Affairs Paper) an elaborate system of short-term stabilisation rules. For instance VAT would be automatically raised in a boom and lowered in a recession. On the other hand if prices were expected to accelerate then the growth of money supply should actually be reduced below the normal target.

There are many differences of emphasis between believing monetarists: and there is no economist or anyone else whose advice could be followed blindly come hell or high water. The

examples are mainly meant to demonstrate that a genuine monetarist group of advisers could afford to be more flexible in the short term, because firmer of long run purpose than the present official team. Indeed if any of the individual deviations mentioned above were introduced on their own without a medium-term stabilisation plan, and without outside advisers, the financial markets would be quite right to be extremely sceptical and to see the beginning of another familiar U-turn. Indeed it may already be too late for such modification.

Sir Douglas Wass, the Permanent Head of the Treasury, made it very clear in his Johnnie Lecture of a year ago (especially in paragraphs 27 and 44) that despite all his concessions to critics of postwar orthodoxy, he was fundamentally opposed to any long-term formula for reduced monetary growth and that he would fight to the end to base policy on elaborate macro-economic forecasts rather than on any system of simple rules. Thus what has happened is no surprise.

Neither political directives nor pressure from markets can compel conviction where none exists. This is the point about "unbelieving monetarists" I have made many times before.

Without an alternative intellectual basis, this is what they will be forced to do in the end. The forecasting system is not just a fifth wheel on the coach. It provides every nook and cranny of official advice (which is one reason for not having the forecasts done inside Whitehall at all).

The game was given away by the July Economic Outlook of the OECD, in Paris, which I once christened "The British Treasury in exile." Its main

forecasts were prepared before the British Budget when output was forecast to grow by just over 1 per cent per annum in 1979 and 1980. In a special post-Budget addendum, the output forecast was changed to an annual decline of 24 per cent by 1980. This is almost certainly the sort of advice that Ministers are getting about the effects of their own policies.

They can just about weather this short-term pessimism, either by disbelieving it or accepting that their immediate policies may be contradictory for the sake of greater long-term benefits. What is not so easy to gloss over is that the Medium Term Assessment ("MTA") on which the current doom and gloom is based, and which is being used to frighten the spending Ministers, is also based on views of cause and effect diametrically opposite to those present economy Ministers profess and those which Mr. Callaghan and Mr. Healey also professed when in anti-Keynesian moods.

The Budget speech was based on the view that growth was supply constrained—which does not deny that individual manufacturers would welcome a further cushion of order-books. The MTA assumes that output is demand constrained—in plain English that more spending would generate more goods rather than more inflation. This emerges very clearly from Table 6 in the last Government's Public Expenditure White Paper. The growth was assumed to be less than 7 per cent or 8 per cent this year because Ministers (at that time Labour Ministers) would depress demand by holding down monetary growth and thus prevent the exchange rate from depreciating. By contrast, a belief in monetarism would refuse to treat wages independently of the money supply and the exchange rate. A credible and sustained policy of monetary expansion, involving a relatively high ex-

change rate, must eventually feed back into wages—especially if we believe that union leaders are ultimately rational, if selfish on behalf of their members and bargain for real wages rather than numbers on pieces of paper.

Even some OECD experts, whose short-term outlook is so similar to that of the British Treasury, believe this gloom and doom to be overdone. The UK is now economically a small country accounting for only 5 per cent of the total GDP of the 24 OECD countries. It can thus escape the effects of world recession by very small adjustments in its trade share. Moreover as a low wage country with a reasonably trained labour force, it ought to be able to sell fairly standard products on price even if it continues to lag on high-risk technologies. The analogy of the small Pacific countries which have largely escaped the stagnation of the 1970s is not necessarily too far fetched. My point is not to necessarily endorse this alternative sketch, but simply to stress that there are more things in the universe than are dreamt of in the philosophy of the MTA, which with its combination of figures, forecasts and pessimism so appeals to the masochistic British temperament.

To escape the present framework of advice, an alternative or alternatives are necessary. Intellectual convictions may not be decisive, but they do matter. Stalin never made a more foolish remark than when he asked: "How many divisions has the Pope?"

As recent events in Poland have shown, he has really got a good many.

Samuel Brittan

Letters to the Editor

Mortgage interest

From Mr. E. Palamoutian.
Sir.—Although I am not quite sure where either you (July 26) or Professor Healey stand in this matter, the impression you have both given is that tax relief on mortgage interest should probably be disallowed.

I agree most strongly with Mr. Camplin (July 31) that this is not the right answer. The logic of the matter, as he says, is that if the interest you receive when you lend attracts tax then the interest you pay when you borrow should repel it. This of course was the situation which prevailed up to the time of Sir Harold Wilson's first administration, as it prevails in the U.S. to this day. The tax deductibility of loan interest had in fact been unquestioned throughout the history of the income tax and it was only cancelled for bad political reasons, and when followed by the inevitable exemption in favour of house purchase, it produced the distortions which you and Mr. Camplin alike deplore.

The right course for the Government is to reaffirm the campaign pledge to restore deductibility which Mr. Healey gave in 1970 and duly put into effect, only to see it revoked by Sir Harold in 1974. It may be worth adding that such a reversal of the appropriate tax liability of income or profits arising therefrom—this course has the authority of the Meade Committee in its support.

Where I do not follow Mr. Camplin is in his suggestion that rent should be allowed as a deduction. This is a good deal more controversial and would inevitably complicate the tax system still further. So far as I am aware, personal rent was not an allowable expense during the many years when an excellent market in rented accommodation prevailed, and such a market could surely be restored by well tested and less expensive means.

Edgar Palamoutian,
Three Quays,
Tower Hill, E.C3.

Liquid fuels from coal

From the Member for Science, National Coal Board.

Sir.—I should like to comment on a very helpful letter from Mr. Paul Adorian (July 26) in which he proposes speeding up work on the production of liquid fuels from coal.

The National Coal Board is at present carrying out design studies (in conjunction with major chemical engineering contractors and the oil companies) for two pilot plants which are each planned to produce 25 tonnes per day of liquid coal derivatives for refining to provide high-grade liquid fuels. We believe that the advanced processes which will be used in these pilot plants (and which have already been demonstrated successfully on laboratory scale) will have considerable advantages over coal-oil processes already in use or under development elsewhere, but it is necessary to prove them, however, at that stage with the minimum of delay, and we are currently reviewing our plans

to see how the steps towards this objective can be speeded up.

In the meantime, I agree that it would be useful to consider how best these developments can be financed so that we can ensure that difficulties over financing do not impede any stage of the programme.

J. Gibson,
Robert House,
Greenwich Place, SW1.

Roads and vehicles

From the City Architect and Planning Officer,
City of Cambridge.

Sir, Roads are the only engineering structure I know of where the loading is allowed to exceed a designed capacity. Our roads are subjected to overloading, which seriously impedes the flow of essential traffic and we often create atmospheric conditions that have been likened to those of a volcanic fissure.

We know that oil is being used at a faster rate than that at which it is being discovered and that as a consequence supplies will fall increasingly below the amount we need, and are likely to continue to increase in cost. Mileage will decrease and the cost of each mile will increase. With supplies becoming increasingly less than we require, and with a free market for its distribution it is clear that supplies will not be available to all who need them or at the time they need them, even urgently or for the maintenance of essential services.

Against this background can we justify a programme for the production of increasing numbers of motor vehicles and the construction of the road space to accommodate them?

Some argue that a new fuel will replace petrol and that as a consequence the numbers of vehicles and mileage travelled will not decline.

The internal combustion engine burning oil or petrol is unique. I know of no ground for optimism that an alternative to the internal combustion engine will be found and that the total vehicle mileage will not decline. We are devoting materials, energy and land to the creation of more road, much of which is to provide for greater use.

In my view the time has come to reconsider our attitude to vehicle production and its use. Our present assumptions support policies and investment which to a large extent may be compounding the problems now rising over the horizon of our communal consciousness, and lead to the demolition of ill-founded expectations.

J. M. Milner,
The Guildhall, Cambridge.

Authority over UN units

From Professor R. Swift.

Sir.—Your Jerusalem correspondent has got the history and constitutional status of the UN Truce Supervision Organisation (UNTSO) wrong in reporting (July 26, p. 2) that "this group is subject only to the orders of the UN Secretary General and will be withdrawn by him without Security Council authorisation as happened before the six day war." The force withdrawn in 1967 was not UNTSO, but the first UN Emergency

Force (UNEF), and since the General Assembly established it, it was never subject to Security Council authority. U Thant acted on his own volition after Egypt requested that he withdraw UNEF, but whether in fact the Secretary General has the constitutional right to terminate a UN peace-keeping operation established by either the General Assembly or Security Council. If Dr. Waldheim has learned anything from U Thant's controversial action and its disastrous aftermath, he would presumably be far more reluctant to take any action of such questionable constitutionality.

Richard N. Swift,
(Professor of Politics,
New York University),
28, Penbridge Villas, W.11.

Cuts in public spending

From Mr. G. Blakey.

Sir.—It has long been characteristic of trade union leaders and Labour politicians alike that they should greet any reflection on Socialist aims and methods with hysterical counter accusations against even the most impartial and constructive of critics. Bernard Dix of the National Union of Public Employees runs true to form (July 30) when he infers that the Financial Times is being alarmist and emotive in its arguments in support of cuts in public spending.

An observer less partisan than Mr. Dix might not only have refrained from referring to proposals to reduce the rate of growth of public spending as "a plot to demolish public expenditure," but might also have considered the wisdom of righting the imbalance that has grown up for political reasons between the productive (now largely private) and the non-productive (now largely public) sides of the economy. It should be obvious that the former, whether privately or publicly owned, has to run profitably in order to pay for the latter which, Mr. Dix conveniently fails to mention, now employs far more than just hospitals, schools and other social services but some of the busiest names in the manufacturing and transportation industries.

The editorial to which Mr. Dix refers made a clear distinction between the areas where current spending cuts should and should not be made. It is a pity that Mr. Dix's political bias prevents him from making the same distinction.

G. G. Blakey,
Ipsdon and Co.,
Austin Friars House,
2-6 Austin Friars, E.C2.

Third London airport

From Mr. A. Machay.

Sir.—On the right side of the railway lines from Rainham to Purfleet there is a large area of land. Sheet 117 of the Ordnance Survey shows it running from northwest to southeast about 2½ miles long by 1½ miles wide extending to 1½ miles about half way along where the area protrudes into the Thames at a curve in the river. This land partly comprises the marshes which are doubtless the reason why it has not been developed for housing or factories. The survey indicates "danger" because of several rifle ranges. These

ranges would imply that the area is owned by the Ministry of Defence which is at present the subject of an inquiry as to how much land could be disposed of.

Of the locations now being considered for a new London airport, some would involve the loss of valuable agricultural land, demolition of houses, etc., in residential areas. The Maplin sands project of the construction of an offshore island in the estuary, about 45 miles from London, would be very costly considering the colossal tonnage of rock and earth to be moved. Would it not be much cheaper to drain the marshes?

Many European services could be diverted from Heathrow and Gatwick, bringing most of Europe nearer to London with some saving of fuel. Rainham and Heathrow are roughly equidistant from the West End and the former nearer to the City. London Transport and British Rail could combine to provide services to the new airport.

One important advantage, which should surely merit my plan being given serious consideration, is that there is very little housing nearby so round the clock flights including mails and cargo would be practicable.

A. G. A. Mackay,
37, Park West,
Marble Arch, W2.

Financial aid schemes

From the General Secretary Alliance of Small Firms and Self-Employed People.

Sir.—We view with concern the report (July 12) that the Government is considering State backed, financial aid schemes aimed at "encouraging venture capital companies to provide equity for small companies." We are most surprised to see such a scheme attributed to this Government in view of the statements made in the Conservative party election manifesto and elsewhere that if elected they would reduce government intervention in industry.

In our experience the financial institutions are awash with funds which they are anxious to press on the private sector. For a number of reasons however, including high interest rates and unacceptable conditions concerning equity in the company, the private sector is not interested in borrowing. We believe that it would be quite wrong for this Government to give what amounts to a subsidy to these institutions in order that they can relax their terms while passing on the risks to the taxpayer.

Before the election Mrs. Thatcher said: "If somebody comes to me and asks: 'What are you going to do for us small business men?' I say, 'The only thing I'm going to do for you is to make you freer to do things for yourselves. If you can't do it then, I'm sorry, I'll have nothing to offer you. You must understand this: if all you want is to be able to batten on somebody or something other than yourself, don't come to me, just go and vote Labour.'" We agree with this sentiment.

If the economy of the country is to recover a key issue will be the lowering of the general burden of taxation. Subsidies of the type proposed would exacerbate this problem. (Mrs.) Teresa E. Gorman,
279, Church Road, SE19.

Today's Events

GENERAL
UK Treasury Secures of UK official reserves for July.

Bank of England statistics for capital issues and redemptions during July.

Confederation of Shipbuilding and Engineering Unions meet. Imperial Hotel, Russell Square, London.

National Coal Board annual report.

Duke of Edinburgh returns from Africa.

Euro-Japanese Exchange Foundation seminar "European Business Climate for Japanese Enterprises" continues, Lane End, High Wycombe.

Overseas: Commonwealth Heads of Government Confer-

ence continues in Lusaka.

King Olav of Norway begins six-day visit to Isle of Man during Manx celebration of 1,000 years of Parliament, Tynwald, established by the first Viking rulers.

Sir Kenneth Cork, Lord Mayor of London, on Far East tour visits Penang and meets Dr. Lim Chong Ee, Chief Minister.

Rumanian Foreign Minister begins three-day visit to Paris. Chinese agricultural delegation in West Germany.

COMPANY RESULTS
Final dividends: W. G. Allen

and Sons (Tipton). Amber Industrial Holdings. James Austin Steel Holdings. Gnome Photographic Products. London and Garmore Investment. Midland Trust. Wm. Ransome and Son. Interim dividends: Hoover, Law Debenture Corporation. Interim figures: Reed International.

COMPANY MEETINGS
Anderson Strathclyde, Central Hotel, Glasgow, 12. Bradford Property Trust, Victoria Hotel, Bradford, 12. Brent Chemicals, Skyline Hotel, Hayes, 12. British

Cinematograph Theatres, 8-11 Richmond Buildings, W. 12. Chloride, London Hilton, W. 11. A. Cohen, 8 Waterloo Place, SW. 12. Comfort Hotels International, Henry VIII Hotel, W. 10.30. Heywood Williams, Cafe Royal, W. 12. M.K. Electric, Chatterbox, Accounts Hall, EC2, 12. Milbury, Midland Hotel, Manchester, 12. Christopher Moran, Savoy Hotel, W. 12. Reed International, Institution of Electrical Engineers, W. 12. Renold, Wythenshawe, Manchester, 12.30. Sutcliffe Speakman, Midland Hotel, Manchester, 12.30. Value, 4 Dowgate Hill, EC. 12.15. Tilmelachse and Cobbold Breweries, Ipswich, 10.30.



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To Nationwide Building Society FREEPOST London WC1V 9SLA.

I/we enclose a cheque for £_____ to be invested as indicated.

PLEASE TICK BOXES

1. I/we want to invest for 2 years 2. I/we want to invest for 3 years 3. I/we want to invest for 4 years 4. I/we want to invest for 5 years

Please pay interest at end of each month 2. I/we want to invest for 2 years 3. I/we want to invest for 3 years 4. I/we want to invest for 4 years 5. I/we want to invest for 5 years

Interest can be compounded, or paid half yearly. Interest can be compounded until the maximum permitted investment is reached.

Name (s) _____

Address _____

Postcode _____

Date _____

FT9

It pays to decide Nationwide

Head Office: New Oxford House, High Holborn, London WC1V 9SW. Funds raised £5,330 million. £1,000,000 invested by trustees. Member of the Building Societies Association.

Dixons Photo. ahead to £10.7m and hoists dividend

A 12.6 per cent profits increase and a sharply higher dividend are announced by Dixons Photographic, the camera, television and pharmaceutical retail stores group. The group is also making a one-for-three scrip issue.

Taxable profits in the year to April 28, 1979, rose from £9.52m to £10.72m on turnover ahead from £185.3m to £207.6m. At midway when pre-tax profits were up 15.6 per cent to £5.51m, Mr. Stanley Kalms, chairman, said the indications were that the year-end results would again show a satisfactory growth.

The final dividend of 2.7947p net per 10p share lifts the total from 2.4175p to 3.8047p. After tax of £864,000, against £1.18m, stated earnings per share are ahead from 22.4p to 26.2p.

Dixons retail division raised taxable profits from £3.32m to £4.8m. The processing side is ahead from £89,000 to £254,000, manufacturing from £222,000 to £451,000 and the property operations from £530,000 to £907,000 which includes £594,000 (£385,000) from disposals.

However, the pharmaceutical side saw profits drop from £1.02m to £831,000. The profits from overseas operations also fell, from £3.63m to £2.84m which includes Dixon Ribick and subsidiaries until the disposal date in August last year and profit from sale of listed trade investments of £736,000.

The extraordinary credit for the year is down from £848,000 to £284,000—the currency profit was cut from £1.25m to £23,000. The dividend absorbs £1.43m, against £900,000, leaving retained profits at £8.7m, compared with £9.29m.

See Lex

Bromsgrove jumps to record £0.3m

Despite turnover down from £3.1m to £3.33m, pre-tax profits of Bromsgrove Casting and Machining jumped from £167,162 to a record £304,771 in the year to March 31, 1979. At half way the advance was from £19,347 to £89,403.

After tax of £172,000, against £95,500, yearly earnings are shown to have risen from 4.5p to 7.9p. The total dividend is hoisted from 2.3p to 3.5p with a final payment of 2.6p.

The company manufactures aluminium and non-ferrous castings.

HIGHLIGHTS

British Petroleum's shares slipped yesterday in the aftermath of the Nigerian Government's nationalisation of the possible scale of the impact on BP. At home some lacklustre figures were produced by Dixons, which still appears to be having troubles with its chain of chemist shops. Lex also looks at two developments on the takeover front. Eagle Star looks at two developments on the takeover front. Eagle Star looks at two developments on the takeover front. Eagle Star looks at two developments on the takeover front.

A. Russell £309,000 higher

WITH AN improvement from £190,000 to £288,000 in the second half, Alexander Russell announces pre-tax profits £309,000 higher at a record £812,000 for the year ended March 31, 1979. Turnover rose by £3.2m to £13.19m.

First-half profits were up from £313,408 to £524,041 and the directors said that the rate of increase in the second half was unlikely to be as much as in the first period. It was expected, however, to show an increase on last year.

Stated yearly earnings per 10p share were well ahead from 18.7p to 30.8p, while the dividend total is stepped up to 4p (12.43p) net with a final of 2.312p. A three-for-two scrip issue is also proposed.

The pre-tax result was struck after a £42,000 (full) provision for the proposed employee share scheme. Tax takes £180,000 (£106,000) and attributable profits increased from £380,000 to £621,000. No provision has been made for deferred tax and comparisons have been restated.

The group is engaged in the distribution of fuel and building supplies, quarrying, quarry management, and coal recovery.

Yeoman Trust progress: loan repayment

For the six months ended June 30, 1979, Yeoman Investment Trust has increased its profit before tax from £856,807

to £902,580. The interim dividend is being stepped up by 1p to 4p per 25p share, partly to reduce disparity with the final which was 5.625p last time.

The company has arranged to repay U.S. \$600,000 of its foreign currency loan which matures on August 6, and to renew the facility for up to three years in the amount of \$1.5m.

Gross income for the half year came to £535,866 (£469,289); and net revenue was up from £227,607 to £270,821 after tax of £131,959 (£128,000).

At June 30 net asset value stood at 264.8p (232.8p) per share.

Cableform down on forecast

ALTHOUGH recovering to £372,589 in the second half, profits of Cableform Group did not reach the level anticipated for the year ended March 31, 1979. Turnover was £1,871,601 lower at £5,433,899.

When reporting a drop from £370,000 to £171,000 at half-time the directors said that profits had expanded rapidly in the third quarter and with a further significant increase predicted for the final quarter they expected final results to be similar to last year's.

Turnover of this control gear manufacturer increased from £3.55m to £4.33m. After a sharply lower tax charge of £8,440 compared with £254,747, net profit came out at £536,459 against £476,753. Earnings per 5p share are stated at 11.1p (10.81p).

The dividend is unchanged at 3.3p, with a final of 1.65p.



Mr. Stanley Kalms, chairman of Dixons Photographic which topped £10m last year.

Martin Ford ahead to £0.7m at midway

AFTER A confident forecast at the year-end, Martin Ford, the women's wear group, raised taxable profits from £553,837 to £669,326 in the half-year to June 2, 1979. Turnover including VAT increased from £3.14m to £3.51m. And the Board says turnover in the current period is ahead of last year. Two new branches have been opened and another three are due to be opened before the year end.

Despite the uncertain trading conditions, the directors are confident of further satisfactory increase in results. After tax of £357,160, against £264,647, stated earnings per 10p share are up from 1.66p to 2p. The net dividend is lifted from 1.1p to 1.3p. Last year the total paid was 2.2445p on record taxable profits of £1.33m.

comment

Martin Ford has done fairly well with pre-tax profits up by 21 per cent. But the sales gain of 12 per cent implies little in the way of extra volume though the company has added a line of school-age clothing to its more traditional ladies apparel. It has also opened two more branches this year and there are plans for a further three, though these will not work through to profits until next year. Projecting a full year dividend of 2.8p per share the

shareholders yield a prospective 10 per cent at 38p. The company has demonstrated modest growth and should continue to do so for the rest of the year. Outside analysts are aiming for £1.65m this year—a prospective p/e of 1.7 which is a reasonable rating for the stock.

Courts to maintain progress

Maintained progress in the current year for Courts (Furnishers) is foreseen by Mr. E. G. Cohen, the chairman, in his annual statement. He says the pattern of trading may well be uneven this year, although tax repayments in the autumn and low figures to heat in the final quarter mean that satisfactory figures should be achievable.

As reported July 3, pre-tax profits for the year ended March 31, 1979, rose by 21m to a record £5.89m, on turnover, including VAT, of £49.09m (£47.1m). UK results in the final quarter were adversely affected by bad weather, while overseas earnings were reduced as a result of the strength of sterling.

The dividend per 25p share is lifted from 3.54665p to 4.70233p net and a one-for-two scrip issue is also proposed. In the directors' opinion, the estimated surplus over book value of the group's properties now amounts to some £10m. Of the 116 stores trading worldwide, 65 are freehold with 780,000 sq ft of showroom space, and 51 leasehold with 324,000 sq ft.

Group financing policy has remained conservative and borrowings at the year-end amounted to less than 14 per cent of group net assets, including the directors' valuation of properties and deferred profit.

The directors intend to keep gearing ratios at a low level, particularly with interest rates being relatively high, while allowing for a reasonable rate of expansion as and when opportunities occur.

Meeting, Morden, September 26, 11 am.

BABCOCK/KEELER

Babcock and Wilcox announces that the acquisition of Keeler Corporation was approved by shareholders at a meeting, representing 98.8 per cent of the outstanding shares. The acquisition was not, however, completed on July 31 as anticipated due to a delay in clearing formalities with a regulatory authority in the U.S.

Completion is now scheduled to take place on or about August 31, 1979.

HOVERINGHAM

Hoveringham Group has issued 418,788 restricted voting ordinary shares as part consideration for the acquisition of Humberside Waste Disposal. The total consideration was £331,700, of which £325,000 has been satisfied by issue of ordinary shares and balance by cash.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corr. Total	Total last year
Automated Security	0.77	Nov. 15	0.66	1.49
Brady Inds.	3	—	1.75	3.5
Bromsgrove Casting	2.6	Nov. 1	1.4	3.5
Dixons Photo.	2.79	—	1.51	2.42
Martin Ford	1.3	Oct. 8	1.1	2.24
Hooker, Siddley spec. int.	2.84	Sept. 21	1.5	4.12
Hazlewood	3.35	Oct. 5	3.83	7
Hillards	2.31	Sept. 12	0.8	4.24
Alex. Russell	27.18	Oct. 1	—	"8.77
"Shell" Trans. spec. int.	0.8	Sept. 6	—	1.25
R. Smallshaw	4	—	"2.20	5.09
Waring & Gillow	2.6	Sept. 21	2.5	5.19
Yeoman Trust	43	Sept. 14	3	8.63

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Partly to reduce disparity. § As forecast.

U.S.\$50,000,000

City Investing Finance N.V.
Guaranteed Floating Rate Notes Due 1986
CITY INVESTING COMPANY

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the six month period from August 1, 1979 through January 31, 1980 has been established at 11 1/2% per annum.

The interest payment date will be February 1, 1980. Payment, which will amount to U.S.\$60.05 per Note, will be made against the relative coupon.

BANK OF AMERICA N.T. & S.A.
Reference Agent

Shell Transport pays £300m lump sum to shareholders

Shell Transport and Trading is to pay £300.3m. as a lump sum to shareholders on October 1. The payment had been delayed by statutory controls, ended two days ago.

Such a distribution had been widely predicted and will be paid

as a special net interim dividend of 27.154p per share to those on the register on August 31. UK residents are entitled to a tax credit equal to the amount of advance corporation tax referable to their dividends. The credit on the special interim dividend is 11.65p per share.

Shell initially thought of paying the postponed dividends over a period, once statutory controls were lifted. But the oil company decided on a single payment in the light of the changes in personal taxation and the investment income surcharge made in the recent Finance Act.

Waring & Gillow improves by some 40% to pass £5m mark

FOR the year to March 31, 1979 Waring & Gillow (Holdings) has achieved record profits. At the pre-tax level the advance was around 40 per cent to £5.03m, even after transferring £341,175 against £34,498 to deferred profit reserve and charging for the first time, depreciation on short leases of £169,680.

An effective increase of 55.918 per cent in dividend is announced. The final payment is 4p net for a 5.086774p (3.26251p adjusted) total, costing £772,253 (£478,594). Earnings per 25p share rose from 15.67p to 21.77p.

Including an £8.4m (£6.64m) contribution from the clothing division, group turnover—net of VAT—amounted to £37.72m (£34.83m). Tax of £1.68m (£1.18m) has been reserved and the available balance on profit was £3.34m (£2.41m).

The directors report that the results have been achieved

despite the disruption to normal trading in January and February, caused by the hard winter.

The Hartley Carpet chain of 35 specialist carpet shops, acquired in March 1978, made a significant contribution to profits in its first twelve months trading.

The clothing division, which gave a profit of £195,137 (£117,970) for the year, is still experiencing difficult trading conditions but has made a significant improvement. This has been possible because of considerable rationalisation, which is continuing, and by strengthening the management team.

comment

The market was pleased with Waring & Gillow's full-year results, which were not affected by the slowdown in national furniture demand in the second half.

Against a background of a modest national increase in furniture trading generally for the year, the company boosted its sales by a third. This increase included a "significant" contribution from the newly-acquired Hartley chain and lifts total carpet share to roughly a quarter of the furniture division's profits. To some extent the company is cushioned from the effects of any squeeze on consumer spending by being in the top end of the furnishings market. Elsewhere, the small clothing operation is still struggling along although rationalisation has led to a minor improvement. Overall, the company is in a good position to continue its growth trend, especially if carpet sales make the expected recovery and hard-pressed clothing margins can be restored. At 147p the shares are on a p/e of 8.5 while the yield is 5 per cent.

Recovery trend at Reed Paper

FOR THE second quarter of 1979, Reed Paper, Canadian subsidiary of Reed International, reports a turnaround in the U.S. Canadian \$2.5m losses to \$7.45m earnings before extraordinary items. This left six months earnings at \$11.77m compared with a \$9.98m deficit on sales up from \$108.92m to \$150.01m.

After extraordinary income tax credits of \$5.55m (\$0.35m), net earnings for the half year were \$17.32m or 31 cents per common share, compared with losses of \$6.83m or 41 cents per share in the same period of 1978.

Net earnings for the second quarter, after the extraordinary tax credit, were \$11.13m, against a \$2.15m deficit.

Mr. D. A. MacIver, president and chief executive, says the outlook for the rest of 1979 is buoyant, and earnings for the second half are expected to be at least comparable with those of the first six months. Nevertheless, he says the out-

look beyond 1979 is somewhat pessimistic due to the expected economic slowdown in the U.S. Mr. MacIver also expresses concern about the company's reliance on the low level of the Canadian dollar.

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RESULTS AND ACCOUNTS IN BRIEF

ROSBILL HOLDINGS (ladies' and children's clothing retailer)—Results for May 28, 1979 year with prospects. Turnover £22.5m, net profit £2.5m, net dividend £1.75m. (1978: turnover £21.12m, net profit £1.01m, net dividend £1.01m). In current year, turnover is substantially ahead after 8 weeks' trading. Chairman says early customer reaction to new season merchandise already introduced is encouraging. Meeting, Burton-on-Trent, August 15, 10 am.

MOORGATE INVESTMENT—Results for year to May 31, 1979, already known. Investments listed at mid market value in UK £3.74m (£4.85m), overseas £461,048 (£471,605). Unlisted at directors' valuation £37,725 (£47,164). Chairman says revenue estimates indicate strong improvement and he is confident of further dividend increase. At June 30, 1979, Philip Hill Investment Trust held 18.4 per cent of ordinary capital. Meeting, 8, Waterloo Place, SW August 28, at 3.30 pm.

COLONIAL SECURITIES TRUST COMPANY—Preliminary revenue for six months to June 30, 1979, £237,100 (£220,500).

after management expenses £24,800 (£24,800). Tax £24,300 (£20,000). Net asset value per 25p share £22.2p (£22.2p). Interim dividend 1.5p (same) per deferred stock interim unit.

ARLINGTON MOTORS HOLDINGS—Results for year to March 31, 1979, and prospects, reported July 26. Group had assets £2.44m (£2.04m). Net current assets £2.16m (£2.04m). Bank overdraft £2.23m (£1.83m); secured overdrafts £2.23m (£1.83m). Overhead £1.75m (£1.75m). Chairman says revenue estimates indicate strong improvement and he is confident of further dividend increase. At June 30, 1979, Philip Hill Investment Trust held 18.4 per cent of ordinary capital. Meeting, 8, Waterloo Place, SW August 28, at 3.30 pm.

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Vosper profit will drop: pressing on with claim

THE TWO major uncertainties of compensation and possible de-nationalisation have made the task of redeveloping the Vosper group "doubly difficult". But with the second uncertainty now removed, the directors hope that the other will be settled "given the reasonable approach by all concerned".

In their interim report the directors point out that in the uncertain circumstances forecasts for the year ending October 31, 1979, indicate that profit, including investment income, will be somewhat less than the £1.6m achieved in 1977-78.

Consequently, they have decided that the current interim dividend should only reflect the change in income tax rate, and is increased from 2.5p to 2.8p per share. Any forecast of the final (2.6512p) last time is to be deferred until a reliable assessment can be made of the likely progress in resolving compensation and consequently the group's investment income.

Figures for the last year ended April 30, 1978 show a reduction in turnover from £2.35m to £1.45m and a decline in pre-tax profit from £118,608 to £79,561. Investment income has improved from £129,392 to

£133,518, and includes interest received on £1.33m 94 per cent Treasury Stock 1981 issued on account of compensation. No account has been taken of interest accruing from July 1, 1977, on further issues of Government Stock to be made on compensation, the total amount of which has yet to be determined.

Earnings per share for the period are stated to be 6.28p, compared with 9.28p a year earlier.

First half 1978

Turnover	£2,350,420	£1,450,000
Trading profit	8,241,015	849,841
Depreciation	1,074,453	78,205
Interest received	1,178,265	129,392
Investment income	133,518	129,392
Asset provision	200,000	47,425
Profit before tax	766,381	108,808
Taxation	417,303	382,192
Minority	378,678	1,618
Group profit	488,018	118,608
Investment income	133,518	129,392
Amortisation	636,536	248,000

The directors express disappointment that the Government has decided, at present, not to introduce private sector finance into the shipbuilding industry, as they would welcome the return of those companies nationalised. But they will press with renewed vigour for an early and just

settlement of the company's claims, and look to the Government "to put its principles into practice".

• comment

Whatever level of profit Vosper makes this year, and the prospects are not encouraging, its impact will be dwarfed by the renewed effort to achieve nationalisation compensation. De-nationalisation looks to be slipping over the horizon so the group is looking for compensation of at least £20m against a Government offer which still stands at £4m. Much depends on the success of this fresh initiative and recent calculations as to how the group's state-owned cousin Vosper-Thornycroft made a recently reported pre-tax profit of £10.75m suggests that the door on de-nationalisation may not be completely closed. Meantime, the additional provision against the David Brown-Vosper (Offshore) associate must be seen as a disappointment and, on a possibly conservative assumption that the total dividend will be no more than maintained, the resultant yield of 3.75 per cent at 20p, down 11p yesterday, compares rather badly with the return on 91 per cent Treasury Stock 1981.

INCLUDING LOSSES of £462,000 from the now closed Capital Discount Stores, taxable surplus of Hillards, supermarket group, were ahead from £2.31m to £2.51m for the 52 weeks to April 26, 1979. Profits on continuing operations increased by 28.8 per cent to £2.99m.

Stated yearly after-tax earnings declined from 36.21p to 26.88p per 10p share, but the dividend total is lifted by 42 per cent to 7p (4.9301p) net, with a final of 5p. A one-for-one scrip issue is also proposed.

Turnover, including VAT, rose from £82.9m to £103.76m, boosted by a £9.95m contribution from Capital Discount Stores, which were acquired in June, 1978, when it became clear that their initial trading loss would continue at a higher rate and for a longer period than had been budgeted.

At the interim stage, profits were virtually unchanged at £1.18m (£1.15m), after trading losses of £275,000 from Capital Discount.

Tax charge was higher at £966,000 (£206,000) and after a £69,000 extraordinary debit this time, available profits were reduced from £2.11m to £1.5m.

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• comment

Although Hillards' full-year results have been dulled by closure costs and £6.4m loss incurred by Capital Discount, the underlying picture is encouraging. Excluding CD, profits are up by 30 per cent with margins

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interline — Anglo-American Coal, Automated Securities, Beaumont Properties, East Lancashire Paper, Hoover, Law Debenture, Rentokil, River and Mercantile Trust, River Plate and General Investment Trust, Tiscotrol, Thomas Witter.

Finals — W. G. Allen (Tipton), Amber Industrial, James Austin, Steel, Peter Black, Gavor, Tin Mines, Gnome Photographic, Govey, European Trust, Hales Properties, London and Garsington Investment Trust, Midland Trust, W. E. Norton, William Ransom, William Somerville, Strathgry.

FUTURE DATES

Interline	Aug. 15
British Aluminium	Aug. 16
Royal Dutch	Aug. 16
Scottish United Investments	Aug. 16
Shell Transport	Aug. 16
Slough Estates	Aug. 29
Finals	Aug. 7
Acorn Sales	Aug. 7
Cooper Ind.	Aug. 7
Kamukura Tin	Aug. 8
Southern Kites	Aug. 8
Sunley (Barnard)	Aug. 13
Unitech	Aug. 7

Automated Security jumps to £0.62m and confident

TAXABLE PROFITS of Automated Security (Holdings), the security alarm systems group, jumped from £382,000 to £630,000 on turnover well ahead from £2.69m to £5.13m in the half year to May 31, 1979.

The board says that all divisions are trading satisfactorily, and that second-half turnover should continue at or above the present level with increased margins.

At the year end pre-tax profits had doubled to £1.02m. The figure incorporated eight months of Brock Alarms.

Shareholders were told in the annual report that the group would continue to strengthen the density of the security rental operations and with the acquisition of E. Pincoff and Co. and Combat Alarms, it expected to consolidate 5,000 systems from these two groups. The directors were confident of a stronger trading and balance sheet position than ever before.

Tax for the half year takes £44,000 (£39,000), and stated earnings per 10p share are well ahead from 3.9p to 6.55p. The interim dividend is raised from 0.86p net to 0.77p. Last year's total payment was 1.4865p.

• comment

Profits from Automated Security continue to plough forward, and with the alarms division of Brock now fully integrated, profits this year could top £1.6m. Automated has carved out a sizeable niche in a growth industry—a fact fully reflected in the share price which, despite the weakness of the market in recent months, continues to make headway. Now at 163p the prospective p/e (assuming a minimal tax charge Automated has more than enough first year allowances to offset any liability) comes out at 8.4. The yield is meagre 1 1/2 per cent. Current trading is described as buoyant and in the first six months the £1.25m increase in rental assets takes the gross figure to over

£10m with a rent roll of some £4m a year. New rental assets are financed out of cash flow and though Automated has a fair chunk of term debt, the half-time interest charge is £250,000, most of this came in with Brocks—and for a rental company the proportion of debt to capital employed at 35 per cent is not heavy. The shares are likely to continue showing relative strength.

Hazlewoods advances to £521,000

WITH ALL the increase coming in the second six months, pre-tax profits of Hazlewoods (Proprietary) moved ahead from £401,000 to £521,000 for the year ended March 31, 1979. The half-time result was static at £204,000.

Turnover of the group, which processes vegetables and makes sauces and condiments, increased by £1.7m to £5.09m.

The directors say the capital investment programme of the last few years, combined with aggressive marketing, will provide organic growth. In addition, they say the company is aware of the benefits from acquisitions and with this in mind, they are certain that next year will further strengthen its position.

Tax takes £30,000 (£9,000) and fully diluted earnings per 10p share are given up from 9.17p to 11.32p. A net final dividend of 2.35p raises the total payout up 1p to 4p.

Wrighton outlook

Policies that F. Wrighton and Sons (Associated Companies), furniture maker, has put into effect during the past two years

are gradually coming to fruition, although the directors state that the return currently obtained on capital employed is not yet satisfactory.

The group's capital expenditure programme is now completed and the directors hope the company will be well equipped enough to meet the future and overcome whatever change there may be in the economic climate of the country.

As reported on July 11, pre-tax profits for the year to March 31, 1979 improved from £306,000 to £481,000.

A statement of source and application of funds shows an increase in working capital of £215,000 (£380,000).

Meeting: Brampton Works, E. September 4, noon.

Expansion at Brent Walker

Brent Walker, the UK leisure group, announces plans to add to the existing leisure facilities offered at Hackney Stadium, in north London, and to develop areas of land that are not at present utilised into light industrial and warehousing sites.

In addition to the current activities of Hackney, it is proposed to add the first drive-in cinema, monthly car auctions and an extension to the catering facilities.

Over 35,000 sq ft of light industrial and warehousing development will also be put in hand, using land that is currently under utilised and bringing new jobs and commercial opportunities to the area.

MH CREDIT

The businesses formerly known as Ocean Acceptances and TKM Credit Corporation will in future be known as MH Credit Corporation, a UK instalment credit company.

M. L. Meyer makes good start

Montague L. Meyer, the timber merchant has made a better start to the current year than last time both in turnover and profit. Mr. John Meyer, Chairman, says in his annual statement:

"It is difficult to forecast too far ahead," he continues, "but we are certain to enjoy a very good nine months' trading from all sections of business, and surely the last three months cannot be more difficult than those for the year under review, so that I expect this year to show an increase".

Looking further ahead, Mr. Meyer says indications for 1980/81 are complicated. He feels that circumstances will be rather different from the slump conditions of 1974/75, when there was massive worldwide over-production and vast stocks.

These factors are now under tighter control, and the world seems more prepared for large increases in oil prices, the chairman says. "I believe this business can progress under all conditions and I hope that 1980/81 will prove an exception".

As reported on July 17, pre-tax profits for the year to March 31, 1979 rose 19 per cent from £12.95m to a record £15.45m, on turnover 12 per cent up at £277m. On a CCA basis, the taxable surplus was down from £14.3m to £8.9m.

The chairman says group manufacturing companies, including sawmills and pulp mills, while merchants and retailers for the most part made

satisfactory progress. Overseas companies also produced better results.

The Hallam Group of Nottingham, which is 50 per cent owned, still contributed a loss, although a smaller one, and he expects a satisfactory business to emerge there in the future.

Group fixed assets reached £22.68m (£23.39m) at balance date, while net current assets stood at £47.83m (£48.25m). Working capital increased by £15.59m, against £4.54m. Bank indebtedness rose by £17.11m (£15.21m decrease).

Meeting: Charing Cross Hotel, WC, September 2 at 10.00a.

Midway upsurge for Clarke Nickolls

Profits before tax of Clarke Nickolls and Co., property investment and development group, were well ahead from £158,680 to £211,540 for the first half of 1979. In the last full year, the result had more than doubled, from £51,598 to £115,000.

Net results and fees for the half year increased from £191,786 to £226,791, and there was a turnaround from a net trading loss of £12,522 to a net profit of £72,125.

Attributable profits were up from £18,508 to £178,352, after

GRA expands to £169,000 at midway

Pre-tax profits of GRA Property Trust, the greyhound racing, catering and property group, advanced from £98,000 to £169,000 in the half-year to April 30, 1979, after lower interest of £336,000, against £275,000.

The directors say greyhound racing was hit by the bad winter with a consequent reduction in the half-year's leisure profits. With improved conditions in May and June, lost ground has been made up, they add, and the full year should reflect progress over 1977-78, when the taxable surplus was £272,000.

Turnover for the half-year reached £4.58m (£4.78m). Operating profit was lower at £201,000, compared with £281,000, to which was added reduced rental income of £19,000 (£31,000), while group overheads took £115,000 (£149,000).

A further payment of £316,000, and making a cumulative total of £6p, was paid or provided on July 31 for claims admitted from unsecured scheme creditors.

Hillards lifts payment by 42%

INCLUDING LOSSES of £462,000 from the now closed Capital Discount Stores, taxable surplus of Hillards, supermarket group, were ahead from £2.31m to £2.51m for the 52 weeks to April 26, 1979. Profits on continuing operations increased by 28.8 per cent to £2.99m.

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at 3.2 per cent (2.8 per cent) —a par with Tesco's and Sainsbury's, thanks partly to higher sales of fresh food. Running costs were also contained and food retailers generally are seeing better margins. It is too early to make a forecast for the current year but sales growth appears to be picking up with inflation. In closing down the limited range discounting operation, Hillards clearly feels it should stick to its tried and tested formula. Over the next 12 months it plans to boost supermarket selling space by almost a fifth—mainly superstores with an average size of about 28,000 sq ft. This will cost roughly £4m and will be financed mainly out of cash flow. At 340p the shares are on a p/e of 12.6. A yield of 3 per cent compares with a sector average of 4.3 per cent.

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JAPAN AIR LINES

General Mining Group

GOAL MINING COMPANIES' REPORTS FOR THE QUARTER ENDED 30 JUNE 1979

(Both Companies are incorporated in the Republic of South Africa)
(All figures are subject to audit)

Shareholders are reminded that quarterly results are not necessarily indicative of the results which may be expected over a full year.

TRANS-NATAL COAL CORPORATION LIMITED

	Quarter ended	Comparative Quarter	12 months	12 months
	30.6.79	31.3.79	to 30.6.78	to 30.6.78
Tons sold ('000)	3,397	4,026	5,237	22,985
GROUP INCOME	R(000)	R(000)	R(000)	R(000)
Income from mining and allied activities	8,034	8,647	7,848	32,389
Finance and sundries	1,054	1,742	793	2,049
Deduct: Taxation	9,090	10,389	8,641	34,438
Outside shareholders' interest	1,555	2,654	2,280	10,658
Interest of joint venturers	998	1,257	653	4,209
	(92)	289	85	(1,855)
NET GROUP INCOME	6,629	6,189	5,623	21,426
CAPITAL EXPENDITURE	3,153	8,237	4,012	21,689
Number of ordinary shares issued ('000)				50,935
Earnings per share (cent)				42
Interim dividend (cent per share)				10
Final dividend (cent per share)				14

Notes: Decline in mining income in spite of increased sales was due to a price adjustment at Transval Navigation Collieries No. 2, Opencast.

On behalf of the Board:
G. CLARK, Directors
S. P. ELLIS

THE CLYDESDALE (TRANSVAAL) COLLIERIES LIMITED

	Quarter ended	Comparative Quarter	12 months	12 months
	30.6.79	31.3.79	to 30.6.78	to 30.6.78
Tons sold ('000)	1,292	1,073	1,216	4,992
INCOME	R(000)	R(000)	R(000)	R(000)
Net income from mining and allied activities	1,914	1,889	1,858	7,537
Other income	140	222	234	1,067
Deduct: Taxation	2,054	2,111	2,082	8,604
	541	631	(500)	2,605
NET INCOME AFTER TAXATION	1,513	1,480	2,592	5,999
CAPITAL EXPENDITURE AND LOANS	1,963	1,430	784	4,776
Number of stock units issued ('000)				10,098
Earnings per share (cent)				59
Interim dividend (cent per stock unit)				8
Final dividend (cent per stock unit)				18

On behalf of the Board:
D. GORDON, Directors
G. CLARK

Secretaries:
General Mining and Finance Corporation Limited
5, Pitt Street
Johannesburg 2001
2 August 1979

London Office:
Princes House
95 Gresham Street
London EC2V 7EN

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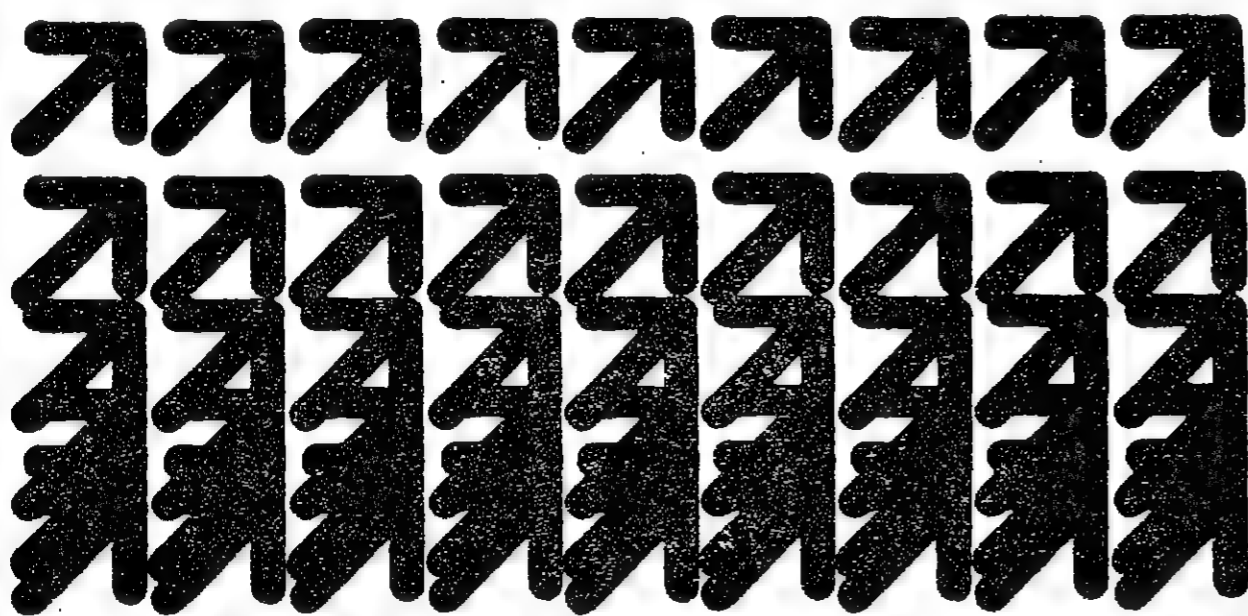
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transportation, light machinery, foods and tourism.

	Workforce in 1978	Turnover in 1978
FINANZIARIA E. BREDA	6,000 units	261 billion
BREDA FERROVIARIA	19,000 "	563 "
INSUD	1,000 "	25 "
MCS	19,000 "	950 "
SOPAL	2,000 "	147 "



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Companies
and Markets

UK COMPANIES and MINING NEWS

First quarter fall for Powell Duffryn

FIRST QUARTER profits of Powell Duffryn are down, Mr. C. S. Aston, chairman, told the annual meeting. He said this was due to the poor results of the engineering division which suffered a loss in April principally because of the Hymac strike which ended early in May. The results have also been affected by high interest rates, added Mr. Aston.

But profits of the remaining activities, particularly shipping and fuel distribution, showed a satisfactory improvement over last year.

Taxable profits of the group fell last year from £15.01m to £12.18m.

Mr. Aston said they have signed agreements to purchase an investment in IBH Holding

AG of Mainz, West Germany and the sale of Hymac to IBH at the end of 1979.

"We have considered for some time that it is in the long-term interests of Powell Duffryn and the industry that some rationalisation should take place in Europe among construction equipment manufacturers."

The group has also signed the agreement to buy Southwest Pipe and Supply Company of Phoenix, Arizona, and its subsidiary National Pump Company which produces deep well water pumps for irrigation. "Not only is this Powell Duffryn's first engineering acquisition in the U.S. but it is entry into a field which we believe has significant growth potential," added the chairman.

Improvement continues at Morgan Edwards

AFTER the midway recovery from a £116,068 loss to a profit of £5,000, Morgan Edwards finished the year to March 31, 1979, with a taxable surplus of £30,000, against a £492,000 loss. This includes losses from discontinued operations of £77,000, compared with £247,000.

The directors of the food distributor say the improvement in the company's trading position has continued into the current year. Although there is again no dividend, they expect to resume payments in 1979-80.

Turnover for the year of £23.72m (£23.41m) includes £3.79m (£3.09m) from discontinued operations. There was a tax charge of £16,000, against a £34,000 credit.

Attributable profit came through at £248,000 (£819,000 loss) after an extraordinary credit of £233,000 (£361,000 debit). Earnings per 10p share are given as 0.5p, compared with a 18.6p loss. Net asset value is shown to have doubled to 30p (14.5p).

The directors say the integration of the retail stores of the recently acquired Paddys and Suma Cut Cos (Foods) has been substantially completed and the planned operating benefits and economies are being achieved.

The company is soundly based to continue development by internal growth and acquisition and opportunities are being actively pursued, they add.

The turnover and results of continuing operations in 1978-79 include the continuing activities of Paddys and Suma Cut Cos (Foods) for the period January 6 to March 31, 1979. Figures for 1977-78 have been restated to include Luther Lewis and Sons, John Edwards (Wholesale Grocers) and certain closed stores under discontinued operations.

Gulliver Foods' interest in the company is now 29.91 per cent,

Second-half recovery at Brady Inds.

A SHARP second-half recovery meant that taxable profits of Brady Industries, the door and lift-making group, surged from £13,125 to £409,194 in the year to March 31, 1979.

And with the addition this time of £43,756 deferred tax release on stock relief of earlier years and £45,444 extraordinary credit, the profit was pushed up to £890,896 before tax.

The directors say the return to profitability is the result of the group's rationalisation and development programme. The cost of this, which has been fully provided for, was greater in the first half although the benefits did not show until the second half.

Current order levels are satisfactory, although they are cautious about the Government's proposed public sector cuts which must affect the door market.

Although there was no interim dividend, a final 3p net is being paid. This compares with a 3.5p total last time.

After tax of £245,100 (£22,813) there was a net profit of £945,788, against a £9,698 loss. Earnings per 25p share are given as 16.3p (4.0p loss) which includes 11.9p for deferred tax released because of stock relief write off for the years ended March 31, 1974 and 1975.

Smallshaw ahead to £155,000

Increased profits and restoration of the interim dividend are announced by R. Smallshaw (Knitwear) for the half year to March 31, 1979.

Taxable profits went up from £130,000 to £155,000 on turnover ahead from £2.12m to £2.86m. The net interim dividend per 10p share is 0.5p. Last year the group paid an adjusted total of 1.25p on taxable profits of £344,881.

The directors say the year started moderately well with sales of fully-fashioned garment being particularly good. But once again low demand and poor spring weather hit Castle Knitwear.

The Board adds that it is doubtful whether this company will make any significant contribution to group profits this year. A determined effort is being made to improve its profitability.

Tax for the half year takes £80,600 (£67,600) and after-tax profits come out at £74,400, against £82,400. The dividend absorbs £12,500.

Souza Cruz well ahead

Souza Cruz, the Brazilian tobacco manufacturers, in which British American Tobacco holds a majority stake, turned in Cr 1.3bn (£50m) net profit for the first half of 1979. This compares with a net profit of Cr 748m (£28.6m) for the first half of 1978—a 75 per cent increase.

Turnover was Cr 31.23bn (£1.2bn), against Cr 22.8bn (£887.8m).

The company distributed dividends of Cr 609m (£23.5bn) for the first semester of 1979, compared with Cr 435m (£16.7m)—a 40 per cent increase that falls short of the 12-month inflation rate of 45 per cent.

JESSEL TRUST

An application to the High Court for an approval of a scheme of arrangement of the

Weekly net asset value
on July 30, 1979

Tokyo Pacific Holdings N.V.

U.S. \$67.12

Tokyo Pacific Holdings (Seaboard) N.V.

U.S. \$48.90

Listed on the Amsterdam Stock Exchange

Information: Pierson, Holding & Pierson HV Hengracht 214, Amsterdam.

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.

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Index Guide as at July 26, 1979

Capital Fixed Interest Portfolio 116.87

Income Fixed Interest Portfolio 106.00

Now an Australian coal headache for BP

BY KENNETH MARSTON, MINING EDITOR

WHILE SMARTING from the news of the nationalisation of its Nigerian oil interests, British Petroleum has suffered a sharp disappointment with the progress of its £213m purchase of Clutha Development, one of Australia's leading coal producers.

James Forth reports from Sydney that the New South Wales coal operation has encountered a severe setback in the first half of this year. Earnings have slumped to A\$437,000 (£243,500) from A\$12m in the same period of last year.

The main cause of the setback was a seven-week dock strike at Port Kembla and Belmain which reduced revenue by A\$16.5m to about A\$89m. As a direct result of the disruptions, demurrage on delayed ships was A\$1.64m—two-and-a-half-times the charge in the previous year.

Connection is still being experienced at export outlets, despite the diversion of the coal through the port of Newcastle. Clutha directors believe it is unlikely that lost tonnage will be recovered this year.

The Australian coal export levy has had a much greater

impact because of the reduced earnings, A\$4.9m compared with A\$5.4m in the prosperous first half of 1978.

Not surprisingly, Clutha directors have attacked the Federal Government's decision to continue the levy beyond the earlier promised cut-off date of June 30, 1979.

They said the Government's turnaround not only undermined the base on which to plan operations but also would have a "disastrous" effect on the profitability of the coal industry in general. If the industry was to remain economic, particularly the underground mines, in NSW, the Government should re-think its decision, they added.

Clutha is the second NSW collier to report a sharp earnings setback. The Gold Fields group's Bellambi last week reported a pre-tax loss of A\$2.9m which was attributed to port stoppages and maintenance of the export levy, which cost Bellambi A\$4.5m.

BP bought Clutha from the Daniel K Ludwig group in two steps (early in 1977 and in mid-1978).

Last week it was announced that BP had Australia's Western

Mining Corporation an option to acquire a 50 per cent stake in Clutha as part of a deal under which BP is to obtain a 49 per cent interest in WMC's promising, and huge, Olympic Dam copper-uranium project at Roxby Downs in South Australia.

FINANCING FOR PINSON PROJECT

The Royal Bank of Canada has committed itself to a C\$10m (£3.8m) project loan and C\$2m overdraft financing for the Pinson open-pit gold project in Nevada. This is subject to the sponsor's spending C\$3m. They have already spent C\$1m. The sponsors are Lacana Mining, Rayrock Resources and United Shasta Mines plus the vendors of the property project, which has reserves of 1.4m tonnes grading 0.18 oz. gold per tonne and 2m tonnes of 6.08 oz. grade gold. It looked upon as a 1,000 tonnes per day operation starting next year.

The sponsors say that with gold at U.S.\$225 the bank loan could be repaid in less than three years.

Philippines copper profits

THE LATEST news of sharply increased profits from the copper producers comes from those in the Philippines. Our Manila correspondent reports that Atlas Consolidated Mining and Development has earned Pesos 147.7m (£3.7m) in first half 1979 compared with only P10.5m a year ago.

Atlas is the Philippines' biggest producer of copper with three mine-mill facilities in Cebu Province. Apart from higher cop-

per prices, the group has also enjoyed good returns on its gold and silver by-products in the past six months.

Next in size is the Maricopa Mining Corporation operating on Maricopa Island. The company's first half 1979 earnings expanded to P115.4m from P52.7m in the same period of 1978.

In the latest period, Maricopa's exports fetched average prices of 28 cents per lb. for copper and 24¢ per oz. for gold.

These compare with respective prices of 27 cents and 21¢ in first half 1978.

Finally, Marinduque Mining and Industrial Corporation has turned its profit for the first six months of this year to P95.5m. This makes a dramatic turn-around from the same period of last year when there was a loss of P58.8m.

In addition to its copper mining activities, Marinduque is also a producer of nickel, cement and opium.

share capital of Jessel Trust has been adjourned. A further circular is to be sent to shareholders shortly.

Trio rejects Saint Piran election bid

Mr. Max Lewinsohn and his colleagues Mr. R. H. Morley and Mr. F. T. Seow have changed their minds about trying to get on to the board of Saint Piran at the next annual meeting.

Shareholders with over 5 per cent of the Saint Piran equity put their names forward on July 26 to be elected as directors at the annual meeting in September or October. This seemed to herald a re-run of the trio's unsuccessful battle to get on the board in April.

But Mr. Lewinsohn said yesterday that he and his colleagues would not stand for election after all. On further reflection further their campaign to "restore the image and standing of the company" better from the outside.

Directors might hinder their cause rather than help it, he said. They might be precluded from revealing information about the company and raising matters at AGMs as directors. It might also be difficult to continue contact with authorities.

The danger of failing to win places on the board was not a major factor in their decision, he added.

Weber Hldgs. over £65,000

Improved pre-tax revenue of £65,354, against £53,399, is shown by Weber Holdings, investment and property holding company, for the first half of 1979. Tax was up from £23,500 to £30,893 for earnings per 50p share 1.42p higher at 7.42p.

The net interim dividend is raised to 2p (1.75p) and the Board expects to pay a final of not less than 7.5p. Last time a 10.75p total was paid from pre-tax revenue of £130,000. The company has close status.

WINDING-UP ORDERS

Orders for the compulsory winding up of L. J. Waters and Elmanor were made by Deputy Judge Mr. Michael Wheeler, QC, in the High Court yesterday.

A compulsory order against Ellis and Co. Building Services, made on July 30, was rescinded and the petition dismissed by consent.

LONRHO/DUNFORD AND ELLIOTT

At the adjourned meetings of the holders of the 8 per cent unsecured loan stock 1980-85 and

the 8 per cent convertible unsecured loan stock 1981-86 of Lonrho held yesterday, extraordinary resolutions were duly passed sanctioning the issue by Lonrho of second mortgage debenture stock to the holders of debenture stock of Dunford and Elliott.

Accordingly, the scheme sanctioned by the holders of the debenture stock of Dunford and Elliott on July 10 and providing for the exchange of their debenture stock for second mortgage debenture stock of Lonrho will now become effective.

Good first half at Saudi Intl. Bank

Shareholders' funds in Saudi International Bank rose during the first six months of 1979 from £27.76m to £40.91m and total assets from £457.96m to £508.49m.

The increase in shareholders' funds was due to earnings generated in the six month period and to an increase in the paid up capital. Of this increase £12.28m was subscribed for in cash by

the shareholders and the remaining £270,000 represents a bonus issue of shares.

Mixed start for Culter Guard Bridge

In the current year, profits to date at Culter Guard Bridge Holdings were below budget, but ahead of the corresponding figures for last year, Mr. Roger Fleming, the chairman, said at the annual meeting. "This was a position which management was striving to maintain," he added.

Largely arising from the energy crisis there were many uncertainties which made it particularly difficult to forecast the outcome of the current year, members were told.

As an importer of woodpulp the group stood to benefit from the strength of sterling, he stated. Although it would be difficult to maintain exports at the same volume as last year, on balance it would be better, and with a strong currency and would seek to overcome export problems through increased productivity.

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Further Advance

- Turnover up 90% at £5.128 million
- Pre-tax profits up 62% at £620,000
- New investment in rental equipment in excess of £1.25m

Interim Statement	Unaudited results for six months ended 31st May	Year to 30th November
Group Turnover	£5,128	£2,682
Profit before taxation	620	382
Taxation	44	39
Profit after taxation	576	343
Dividends paid or proposed	103	77
Retained profits	473	266
Earnings per share (fully diluted)	6.52p	3.90p
Ordinary Dividend	0.77p	0.56p

Automated Security
Total concept security

BIDS and DEALS

NEWS ANALYSIS—SUNLEY/EAGLE STAR

A better package second time round

BY CHRISTINE MOIR

Eagle Star's bid approach to Sunley Investment Trust is its second time around. Back in 1978 the insurance company offered a package of shares and convertible loan stock for Sunley which valued it at £74m. The Monopolies Commission intervened, however, and by the time it had given the "all-clear" the property recession had begun.

Eagle Star backed off with great relief. As the recession deepened Sunley began to look very vulnerable to its ambitious worldwide property development programme. There were empty office blocks in Europe, a loss-making ski resort in the South of France, a tourist hotel in Jamaica without customers, and at home a single-story building business and borrowings which were not coming through.

All the same, the stock market believed that Eagle Star which held on to its 33 per cent stake, would come back with another bid one day although the expectations grew staler over the years.

In recent months, however, it has become clear that the long and difficult programme of cleaning up Sunley after those heady expansion days, in the early 1970s was nearly over.

The housebuilding side had been handed over to Waters under a management contract. The Jamaican hotel was finally sold. The Brussels showpiece actually went at just over book

cost, and the remaining two European blocks are also under the hammer.

Then, two days ago Sunley announced that it had finally signed the sale contract on 10th March 1979, that headline of a sale.

Confirmation of the long-awaited sale, sent analysts back to a statement made by the company in May when the negotiations were disclosed.

According to the company, excluding some net assets for the year ending 1978, based on the valuation of the properties in March 1978 and the capital surplus achieved through the reorganisation of the debt to Eagle Star in the previous August.

Shareholders were reminded that the figure "takes no account of the significant increase in value of the property portfolio which has taken place over the last year."

Since early 1978 other major property companies have unveiled surpluses of as much as 34 per cent on their portfolios over the year. And Sunley's property portfolio is particularly attractive. In the last report and accounts, gross rentals were projected to reach £6.7m in 1982 compared with £3.1m last year.

Since then rents have risen throughout the country and property values have gone with them.

The portfolio, then, looked more than ripe to be taken into Eagle Star's life funds. But mak-

ing a bid for the group involved getting over one last hurdle.

Sunley is not just a property development and investment company which used also to build houses. It also runs a sizeable construction company, Bernard Sunley and Sons, which last year made trading profits of £4.8m.

A year ago Sunley announced that it did not intend to follow the path of several other property and construction groups and divide the two halves into separate companies.

Eagle Star could have taken on the construction side, since it is no stranger to buying industrial businesses. When it bid for Sunley last time it also took over Grovewood Securities, which among other things owns Brands Hatch and Champneys Heath Farm. Furthermore, Eagle Star recently restructured itself into a holding company which gave it more flexibility than insurance companies as far as carrying industrial assets was concerned.

In the event the new deal now being discussed sidesteps this complication. John Sunley and his family—which together with trusts, other private companies and the directors owns 40 per cent of the group—is to buy out the construction side.

And that will leave Eagle Star bidding for a tidy package of high quality properties with a diminishing burden of borrowings and a presumption of strong rental growth.

Hanson tries again with £25m Lindustries bid

BY JOHN MOORE

Hanson Trust, the industrial holding company, has launched a bid worth £25m for Lindustries, the engineering and textile group, nearly two years after its earlier bid for that company failed.

Lindustries had no comment to make last night on the offer, which at 135p per share in cash is identical to the earlier offer Hanson made.

Hanson holds a 5.9 per cent stake in the group representing 1,106,000 shares.

Sir James Hanson, Hanson's chairman, said last night that he had not discussed the deal with the Lindustries Board.

"We saw the Lindustries share price going down and we thought it the right time to go ahead," he said.

Sir James explained that the move had also been prompted by the Lindustries warning at its AGM this week that profits for its current year might show a reduction for the current year, and that there were significant losses at one subsidiary.

"We've got to protect our investment," said Sir James.

In its last financial year ending March 31, 1979, Lindustries reported pre-tax profits of £7.24m, compared with £6.53m, and the group had a net asset value per share of 188.5p per share.

Hanson's last attempt foundered because the bid was conditional on recommendation by the Lindustries Board. When

that was not forthcoming Hanson withdrew the offer.

Asked yesterday whether the latest bid would be conditional on receiving approval by the Lindustries Board Sir James said: "I shouldn't comment on that at this stage."

Lindustries Board is meeting today to consider the offer which it received at 5.30 pm yesterday.

Lindustries shares yesterday closed at 120p, up 5p, the offer coming too late to have any effect on the price. Hanson's shares were 105p, up 1p.

See Lex

RATIONALISATION AT HARDYS

Harris Queensway has begun the task of streamlining its new acquisition, Hardy and Co. (Furnishers), by selling off five stores and arranging the disposal of its hire purchase business.

Harris paid around £28m for Hardy, which has about 180 stores and is still running at a loss. The Burton Group has now bought five stores outside the London area for some £5m. One of the major clearing banks is also ready to acquire the hire purchase companies for £5m-£7m, though they will still carry out Hardy's business.

The Hardy head office at Croydon is being closed at a saving of £11m and Harris also plans to sell some other Hardy

stores, as well as buying back the freeholds on others.

The property deals were arranged by Mr. Harvey Spack and Mr. Russell Field, property consultants to Harris for some years.

Mr. Philip Harris, the chairman said he is now "reasonably confident that Hardy will be trading at a profit by the end of the year."

STENHOUSE

The Stenhouse Reed Shaw group announces the formation of Reed Stenhouse Marketing which has been admitted as a Lloyd's broker.

This company results from the merger of the present Lloyd's brokers, Stenhouse and Reed, and Cartiers.

Mr. Marshall describes the BTR remarks on Bestobell's predicted gross dividend rise as "factually incorrect." BTR said on Monday that Bestobell's dividend forecast amounted to only 12.4 per cent in equivalent gross terms.

Bestobell says that the rise in net dividends is some 151 per cent. "While modest when set against the profit forecast, it is in line with the Board's policy of 'increasing but well-covered pay outs.'"

Commenting on the income increase claimed by BTR for its 30th share offer, Bestobell describes the statement on this offer. The cost would be £250,000, as "seriously deficient."

BTR offer is 'opportunistic'

Continuing its adamant rejection of BTR's £26m bid, Bestobell has repeated its message to shareholders to take no action. It calls the offer "aggressive and opportunistic."

"Your Board will not accept any denigration of Bestobell's potential," asserts Mr. Sandy Marshall, the chairman, in response to BTR's letter earlier this week.

BTR cast doubt on the Bestobell forecast of a pre-tax profit rise of at least 30 per cent this year to over £6.8m and questioned whether a "reshuffled management" could effect a quick change in Bestobell's fortunes.

Drawing strength from the pledge of support by Britannic Assurance, Bestobell's largest shareholder with a 10 per cent stake, Mr. Marshall says: "We want you to stay with Bestobell."

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had said that, allowing for the proposed dividend, its terms provided for an income increase of 40 per cent for its share offer and 59 per cent for the cash alternative.

The BTR offer closes today. Bestobell's shares closed above the offer price last night at 210p, down 2p, while those of BTR were unchanged at 302p.

ALBERT MARTIN COMPLETES

Albert Martin Holdings has completed the acquisition of Cooper and Roe for £45,563 cash. The facilities acquired include freehold premises covering 80,000 square feet, together with adjoining land, situated in a new location for the group just to the south of Nottingham.

The manufacturing activities of Cooper and Roe are being reorganised and will be absorbed by two of Albert Martin's existing divisions. The knitted outerwear section will become part of the knitwear division adding new merchandise to the product range, while the remaining production facilities will be assimilated into the Albert Martin division, giving principally a significant increase in circular knitting capacity.

HALL BROS.

Hall Brothers Steamship has sold M.V. Bretwalda for £227,000. After all expenses this is expected to produce a profit over book value of approximately £80,000.

CompAir buys Mako Compressors assets

CompAir has completed the purchase of the assets of Mako Compressors Inc. of Ocala, Florida, U.S., relating to high pressure, compressed air line support systems and air purification. This business will be operated as a subsidiary of CompAir Inc. CompAir's P.S. holding company.

Unaudited results of Mako for the year ending 1978, indicate sales of \$2.2m and profits before tax of about \$800,000. The estimated net tangible assets acquired amounted to \$1.6m of which land and buildings at valuation were \$270,000.

Total consideration was \$2.8m, payable by the issue of 500,000 ordinary shares of 5p of CompAir, credited as fully paid to which have been acquired by Morgan Grenfell and Company and placed with institutional investors.

C. T. BOWRING

C. T. Bowring Underwriting Management (Gibraltar) and English and American Insurance Company, both members of the

C. T. Bowring Group, have jointly taken up 23.8 per cent of the capital of the Rock Fire Assurance Company of Gibraltar, for £50,000.

MIDLAND NEWS

The capital reorganisation scheme of Midland News Assurance has been approved by the High Court and has become effective. Consequently, MNA is now a subsidiary of C. T. Bowring.

LEADENHALL BUYS T. H. DIXON

Leadenhall Building, the for-profit and industrial truck manufacturer with interests in medical and technical services, has acquired T. H. Dixon for £27,076 cash.

Dixon, a manufacturer of a range of equipment for handling, converting or coating paper, plastic films and metal foils reported pre-tax profits of £143,000 in the year ending July 31, 1978. The company has shareholders' funds of £438,000, and deferred tax of £155,000.

Dixon has continued to trade profitably and the balance sheet includes the main factory at Letchworth, held on a 999 year lease, at a net book value of £120,000, compared with a professional valuation, undertaken by Leadenhall, of £240,000.

COMPUTER TECHNIQUES

Computer Techniques (Holdings) has acquired Birmingham-based Computer Proof for £850,000. A cash payment of £85,000 has been made from bank facilities, the rest to be satisfied by the issue of 300,000 new ordinary shares in Computer Techniques.

CP's vendors will keep 54,000 shares for a minimum of one year. The remaining 246,000 have been placed by Singer and Friedlander together with Greaveson Grant and Stock Beech at 188.5p, with the proceeds to be paid to the vendors.

The Birmingham company sells computer stationery and supplies, as well as business systems based on microcomputers and visible record accounting machines. Turnover in its last financial year to September 30, 1978, was £774,000; pre-tax profits were £114,000.

HAZELWOODS (Proprietary) LIMITED

(Processors of Vegetables and Manufacturers of Sauces and Condiments)

SUMMARY OF RESULTS FOR THE YEAR ENDED 31st MARCH, 1979

Turnover	£ 6.09m	Up 38%
Profit	£ 0.52m	Up 30%
Dividend	4p per share	Up 33%
Shareholders funds	£ 2.07m	Up 25%
Earnings per share	£11.52m	Up 25%

"I am certain that the next year will further strengthen the company's position."

J. Lowe, Chairman

Accounts available on the 28th August from: The Secretary, Hazelwoods (Proprietary) Ltd, Empire Works, Roundhay, Derby DE1 1NB.

STAFFS POTTERIES

Staffordshire Potteries (Canada) a subsidiary of Staffordshire Potteries (Holdings) has acquired from the receiver and manager the assets of Salt and McKee, manufacturer of Superior fine bone china, for £940,800.

PARKER KNOLL

Parker Knoll's acquisition of R. Raymakers and Sons has been completed, following the approval at an EGM consideration for the acquisition have been admitted to the Official List of The Stock Exchange.

QUEENS MOAT

Queens Moat Houses has acquired the lease of the 30-bed room Hermitage Hotel at Oadby, near Leicester. The hotel will be renamed the Leicestershire Moat House and extends the geographical coverage of Queens Moat, which now has 1,115 bedrooms.

The hotel is presently held on a lease from Evereds Brewery.

Comfort Hotels International

*Comfort is now one of the larger independent public companies in the hotel and catering field, following the acquisition of a further three hotels in 1978 and the successful bid for City Hotels in March 1979, adding five hotels and the Strikes restaurant and Dayvilles ice cream businesses.

*Last year's profits were a record and following ending of the controls, dividends have been increased by 30%.

*The Group is trading well and, subject to unforeseen circumstances, 1979 should prove to be another successful year.

18 Hotels in this country and overseas, with over 2,300 rooms. 119 Strikes restaurants and Dayvilles ice cream parlours.

Copies of the Annual Report may be obtained from the Secretary, Comfort Hotels International Limited, 167 Queensway, London W2 4XG.

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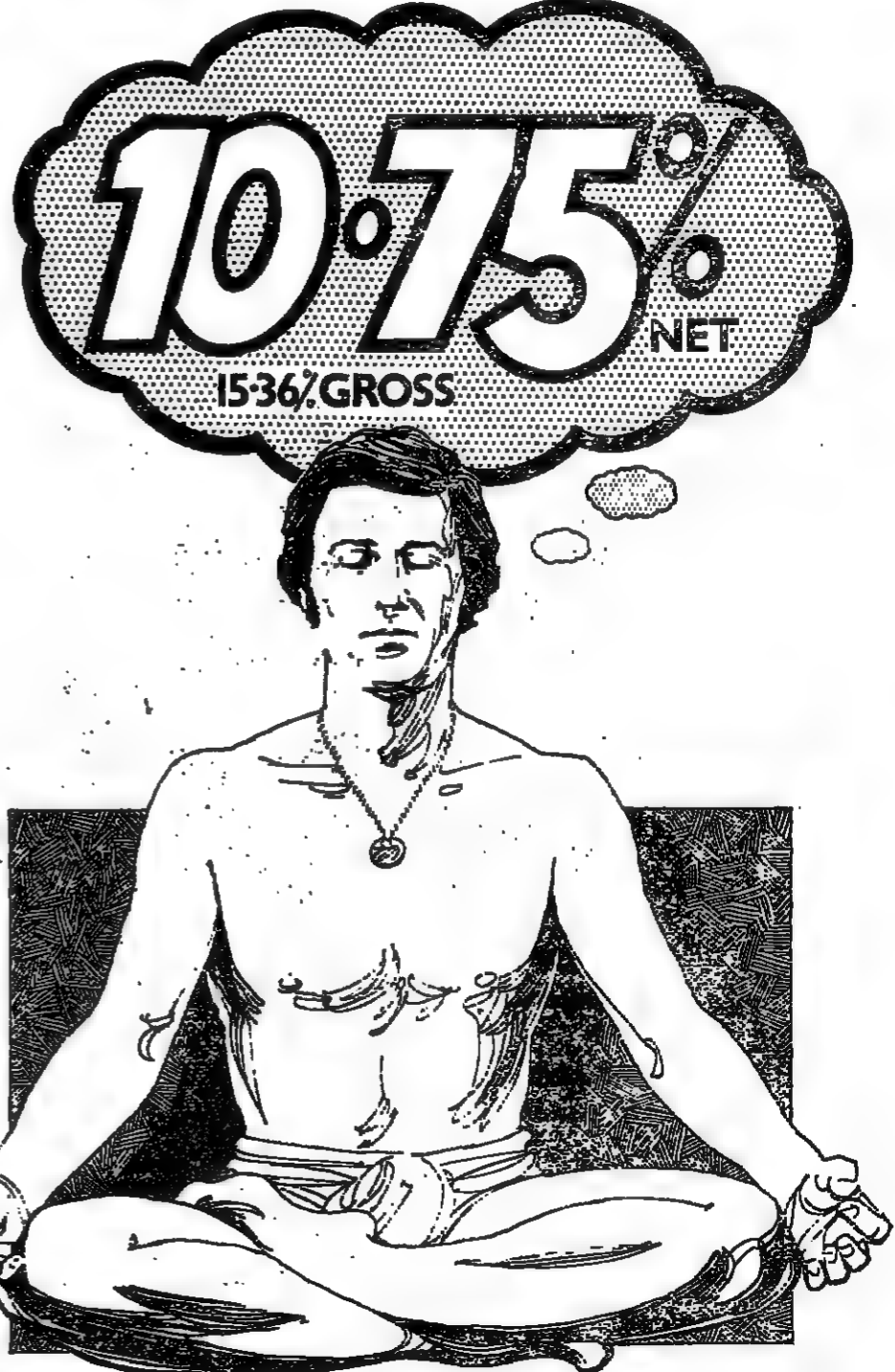
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Swedish car report sees major debt task

By Victor Kayetz in Stockholm

WITHOUT outside help, Volvo and Saab-Scania will have a hard time raising the estimated \$1.5-2.5bn (£714-952m) which a Swedish government report says they will need to develop new passenger models.

The book-length study by the Swedish National Industrial Board, to be published next week, was yesterday dismissed by both carmakers as based on outdated figures and failing to take important recent developments into account. The report states that in 1979-80, Volvo has some chance of reaching the minimum level of 230,000 units annually for its larger models needed for them to yield satisfactory profits. But the Dutch-made Volvo 343 model is likely to show continued losses unless the Dutch government—which has a large minority stake—reduces the current ceiling on its financial commitments.

Saab-Scania's 900 and 900 series passenger cars will probably continue to lose money during the same period.

Despite numerous recent refinements the Volvo and Saab cars are based on 12-year-old designs, and the need to bring out new models will make 1981-1983 difficult financial years for the Swedish carmakers, the report declares. New share issues in early 1979 will allow Volvo to borrow SKr 1.1bn (\$82m) and Saab-Scania SKr 700m (\$107m) without undermining their solvency, but this is not enough.

Collaboration with foreign auto makers would relieve much of the financial burden, but threaten future employment in Sweden, while a merger between Volvo and Saab-Scania is not a good long-term solution.

Mr. Sten Wenner, head of the Saab passenger car division, termed the report "completely misleading. It fails to take into account the new 900 series, which will account for 75 per cent of production and has strongly improved our earnings, in the effects of our recent collaboration agreement with Lancia."

AEG-Telefunken to suffer heavy losses

By Jonathan Carr in Bonn

AEG-TELEFUNKEN is heading for another big loss this year, with its overall orders intake stagnating and its turnover likely to be only slightly above the DM 14.1bn achieved in 1978.

The troubled West German electrical group noted in a first half report that quite apart from the disappointing business outlook, results would be particularly burdened this year by the cost of structural changes already underway.

These changes are considered essential if the concern is to be restored to profitability—but in the meantime AEG-Telefunken and its shareholders face a further grim period. Last year's loss totalled DM 387m (\$184m) and no dividend has been paid since 1975.

Earnings were down in the first half against the comparable period of 1978, with unsatisfactory use of capacity and a faster growth of personnel costs than of productivity among the factors blamed for the fall.

Two specific factors were especially badly hit. One was the gas turbine division, where a big scaling down of activity is underway following the sharp fall in demand from the U.S. market. The other was home radio, television and recording equipment where demand was well below expectations.

The orders and sales picture is of a fairly buoyant home mar-

ket helping to compensate for setbacks abroad. Orders in the first half were up by just 1 per cent to DM 6.6bn, based on a rise of 6 per cent at home and a fall of 6 per cent abroad.

Demand for telecommunications equipment was particularly strong—up by 15 per cent at home thanks to several large orders from the public sector.

Overall turnover was down by 4 per cent to DM 6.1bn, based on an increase of 5 per cent at home and a fall of no less than 14 per cent abroad. Fixed asset investment at DM 148m was almost exactly the same as in the first half of 1978, but the company is planning to increase this to DM 480m for the year.

● Mueascher. Ruckversicherung, considered the world's largest reinsurance enterprise, increased its premium income by about 7 per cent to DM 6.1bn in the year to June 30 and proposes to pay an unchanged 18 per cent dividend.

A preliminary report on the year's results said profits from the company's reinsurance activities alone would be below last year's DM 5.4m, not least because of further big losses in domestic motor insurance.

However, profit from general business—primarily investment income—would show an increase. Last year, this sector produced the lion's share of total net profit of DM 47.2m.

Improved margins at Winsor Industrial

By Philip Bowring in Hong Kong

WINSOR INDUSTRIAL, Hong Kong's largest integrated textile company and one of the few quoted industrial companies—raised net profits by 67 per cent in the year to March, to HK\$110.7m (US\$21.4m).

Turnover was up 17.8 per cent to HK\$1,055m (US\$203m)—a modest increase after taking inflation and Hong Kong dollar depreciation into account.

Net margins, however, improved strongly, from 7.4 per cent to 10.6 per cent of turnover. The final dividend will be 22 cents, making a total of 32 cents against 24.5 cents.

Yarn and fabric sales were particularly strong in relation to garments, reversing the trend of the previous year, and constituted 64 per cent of external sales, compared with 58 per cent in 1977-78.

Winsor sold 58 per cent of its products last year in the domestic market and the rest were directly exported.

Domestic yarns and fabrics sold locally, however, mostly end up as exports. Mr. T. K. Ann, the chairman, said that the likelihood of a U.S. recession was a cloud over the industry, and that after the inventory build up last year, an advance in retail sale in the UK and West Germany was needed.

Demand for corduroy and polyester-cotton blended fabrics was wanting, but denim demand was recovering. For the second year running, Mr. Ann noted the continuing modernisation of American mills, which was making them highly competitive in some sectors. Last year had been better for Hong Kong spinners, he said, because there had been less dumping of yarn.

Fujitsu ahead

Fujitsu, the Japanese electric appliances concern, raised its consolidated net income by 35.4 per cent to ¥14,600 (\$88m) in the year to March 31. Sales rose 18.8 per cent to ¥553,240m (\$8.6bn). Reuter reports from Tokyo.

In May, the company reported a 30.8 per cent increase in parent production, to ¥10,730m. Reuter.

Japanese car boom boosts Bridgestone Tire results

By Yoko Shibata in Tokyo

BRIDGESTONE TIRE's interim net profits rose by 189 per cent to ¥12,710m (\$58.8m) for the first half of the 1979 fiscal year, reflecting Japan's booming new car sales. Operating profits gained 5.4 per cent to ¥28,970m.

With brisk domestic demand for tyres supported by various favourable factors, such as the recovery of the domestic economy, favourable new car sales, and the pick-up of demand for replacement tyres, Bridgestone's interim sales went up 4 per cent to ¥203,650m.

To meet demand, the company's manufacturing plants operated at full capacity, giving production benefits to run alongside the productivity gains stemming from rationalisation

investments in the past. Partly offsetting these benefits were increases in raw materials prices and the appreciation of the yen in the foreign exchanges. The company's exports went up by 13 per cent to ¥46,500m, accounting for 22.8 per cent of the total turnover. The company could not meet all overseas demands, because of far more active domestic demand.

For the latter half of the current fiscal year, Bridgestone sees continuing firm demand for tyres for new cars and for replacement tyres, and growth in overseas markets. The company is to increase the production line of steel radial tyres for passenger cars at its Tochigi factory.

In the earnings aspect, how-

Grace Bros to raise A\$25m for expansion

By James Forth in Sydney

GRACE BROS Holdings, the large department store retailer, is understood to be planning to raise more than A\$25m (US\$28.2m) to help finance the expansion of its department store network. The raising, the largest in the company's history, appears to have been brought about partly by a dip in the rate of growth in trading.

The directors said there had been a slowdown in trading performance in the second half-year, to July 28, but added that the full year result would be satisfactory.

Grace Bros. has one of the best growth records among the retailers. Last year profits increased 15 per cent to record the group's 18th successive earnings gain at a time when several major competitors reported downturns. Grace Bros achieved a further 11 per cent lift in earnings for the first half of the current year but now faces at least a temporary halt to its growth record.

However, the directors expect that the annual dividend of 10 cents a share will be maintained, and they are confident that with the planned future expansion of additional outlets the company's share of the retail will increase.

The company will raise A\$7.12m through the placement of 8.75m shares at A\$1.90 a share compared with the current share market price of A\$2.05. The placement represents 10 per cent of the existing capital and is the maximum amount the Board could issue without holding a meeting to seek prior approval from shareholders. It is understood that the company is also planning a A\$15m debenture issue.

Marginal rise for Lensworth

By Our Sydney Correspondent

LENSWORTH Finance, the Adelaide-based financier, achieved a small, but morale boosting, increase in profit, from A\$1.45m to A\$1.49m (US\$1.7m) in the year to June 30. The result comes against a background of investor nervousness over finance companies in the wake of the collapse earlier this year of Associated Securities Ltd. and the recent rescue operation mounted for another Adelaide financier, Beneficial Finance Corporation.

Lensworth was affected, and the company's share price slumped to 85 cents late in June, prompting the 91 per cent owner, Elder Smith Goldsbrough Mort, to mount an open-ended buying support operation at 60 cents. This stemmed the

slide and Lensworth shares are currently priced at 82 cents.

The latest result equals 8.6 cents a share compared with 8.4 cents in the previous year, and the dividend has been maintained at 7.5 cents. The directors said that, notwithstanding a weakening of support for the finance industry generally, the company traded profitably.

Accounts receivable and prepayments increased from A\$150.6m to A\$153m.

The directors also added some comments about the company's land investments in an effort to boost confidence. "Much has been said about the alleged difficulties of companies with an involvement in land development," they said. "In this company all land holdings

Honeywell-Bull advances

By Our Financial Staff

SHARPLY higher profits are reported for the first six months of 1979 by CII-Honeywell-Bull, the French-U.S. computer group.

Consolidated net income is FFr 39.6m (\$9.3m), compared with the FFr 31.3m shown for the first half of 1978 prior to an exceptional item totalling FFr 40.4m. Net revenue was a high of FFr 2,220m of which nearly half was generated outside France.

The exceptional profit item included in the 1978 figures related to the equipment rental operations of Societe Siliom which CII acquired in June of

that year. State subsidies during the latest half-year declined by FFr 77.4m to FFr 60.4m.

By the end of June, orders were running ahead of budget, the company said yesterday. Orders were some 36 per cent up on the opening half of last year.

CII is currently at the centre of a policy debate involving the French government and the CGE group, a major shareholder. Honeywell of the U.S. effectively owns 47 per cent of CII with the 53 per cent majority stake spread between the state, the CGE group and public shareholders.

SWISS-BANKING CONTROLS

Getting to grips with foreign business

AT A TIME when leading central banks are intensifying their efforts to improve supervision of the Euromarkets, new banking regulations in Switzerland that extend the authorities' control over Swiss banks' foreign business are attracting a good deal of international attention.

The Swiss scheme was introduced by the Bern-based Federal Banking Commission last year. But effects of the new rules on banks' activities are only now becoming apparent—and the banks themselves are still querying the legal basis of the system. The Commission laid down that the banks, for the first time, had to supply the supervisory authorities with consolidated balance sheets starting with the 1977 business year. Although there is no requirement to make these public, it extended the already existing system of capital ratio limits on banks' business volume to cover their consolidated balance sheets as well as the parent company itself.

The aim was to ensure the capital adequacy of banks with subsidiaries in the financial and banking sectors, particularly those operating internationally, as well as to allow both the supervisory agencies and the banks themselves to improve assessment of the risks impinging on the whole of banks' balance sheets.

The new rules were put into effect mainly from the

viewpoint of improving still further Switzerland's standards of protection for depositors. But the basic principle behind the regulations—the feeling that supervisory techniques, especially in the area of consolidation, had not kept pace in recent years with the growth of banks' international business—is the same.

DAVID MARSH, recently in Berne, explains why the Swiss authorities are extending the powers of the Federal Banking Commission.

one that has inspired concern among central bankers over the past year or so over the bulk of Eurocurrency lending.

The West German authorities, in particular, have been pressing for a global system of capital or liquidity ratios for banks operating on the Euro market. So the Swiss system is serving as an important model of what might be done on a general scale to keep better tabs on international lending.

The regulations already in force on Swiss banks' balance sheets prescribe that banks' capital and reserves should not fall below a set percentage of their total liabilities. The ratio varies from bank to bank because according to a complicated sliding scale, different types of bank assets are also taken into account in the calculations. But the average capital ratio last year came

to around 6.5 per cent—quite high by international standards, with the larger Swiss banks having to maintain their capital base at an even higher percentage of 7 to 8 per cent.

Figures published by the Banking Commission earlier this year revealed that out of 103 banks surveyed for their capital adequacy, 84 had sufficient capital to cover the requirements on their consolidated balance sheets for 1977 according to Commission officials, a somewhat better result than had been expected. But nine were short of test by some SWFr 620m.

Three of these raised their capital by SWFr 360m at the start of 1978, compensating either wholly or partly for their capital deficiency. This left seven banks—only 8 per cent of the total—short of the required capital adequacy of SWFr 60m.

The five, none of which have been named, were asked by the Banking Commission to take steps to make up for the deficiency. One bank, with a shortfall of 30 per cent, had to raise capital immediately, while the other four were given a two-year period in which to take

Significantly, three of these four were members of the "Big Five," whose Euromarket subsidiaries in areas like Luxembourg and the Caribbean were minimal regulations on capital adequacy have led to a gradual dilution of the consolidated capital base.

As might have been expected, the banks have not been pleased with the Commission's measures, which they feel will weaken their international competitive position. The banks which have been asked to raise capital have questioned whether the Commission has the legal right to force through such a request, and the two sides are currently deep in negotiation on the subject.

To clear up the legal doubts, the Commission wants to enshrine the consolidation requirements in new legislation on banking regulations which it hopes Parliament will approve next year.

Despite the international interest generated by the scheme, Swiss officials warn that it would be far from easy to draw up a global set of capital ratios for all countries to regulate Eurocurrency lending. All the same, the Swiss example looks certain to make a lot of converts in areas of Continental Europe—notably Germany and France—where consolidation is not yet an established accounting practice.

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July, 1979

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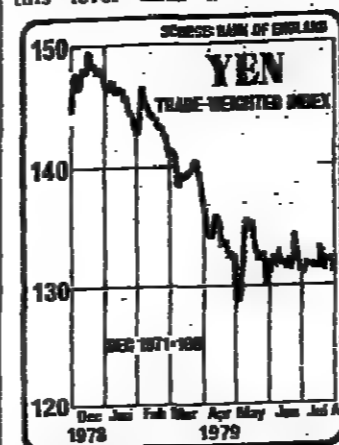
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 J. Henry Schroder & Co. S.A.L. Société Générale Skandinaviska Enskilda Banken
 Swiss Bank Corporation (Bahrain Branch) Urban-Arab Japanese Finance Ltd.
 United Bank of Kuwait Limited Wardley Middle East Limited

July, 1979

Sterling erratic

STERLING fluctuated sharply in the foreign exchange market yesterday, following Tuesday's sudden fall, but recovered some of its losses. Yesterday's lower levels attracted a good deal of buying interest especially in the U.S., underlining the general opinion that this was where sterling's rapid decline had originated. It opened at \$2.2550 and moved quite erratically during the morning between \$2.2450 and \$2.2550. By noon it had settled at around \$2.2500 and stayed at this level until mid-afternoon.



when demand in the U.S. pushed up the rate to \$2.2770. Sterling closed at \$2.2700-2.2710, which showed a rise of 2.25c from Tuesday, and a net loss on the week of 4.1c. The pound was also firmer against European currencies, rising to DM 1.8350 from DM 1.8225 and to FF 9.5700 from FF 9.5700.

Sterling's overall improvement was reflected in its trade weighted index which rose to 74 from 72.1, having stood at 71 at noon and 71.7 in the morning.

The dollar was weaker against most currencies and trading took place within very narrow ranges. Against the D-mark it finished at DM 1.8255, down from Tuesday's level of DM 1.8355, and in terms of the Swiss Franc it fell to Sfr 1.6365 from Sfr 1.6600. It was also weaker against the yen, closing at ¥216.00 compared with ¥216.60 previously. On Bank of England figures, its trade weighted index slipped to 84.4 from 84.6.

FRANKFURT—There was no intervention by the Bundesbank yesterday when the dollar was fixed at DM 1.8257, down from Tuesday's level of DM 1.8377. After touching DM 1.8330 early on, the U.S. unit fell steadily in this trading with little in the way of fresh factors to influence the market.

NEW YORK—The dollar showed a weaker tendency in early trading with conditions fairly subdued. Sterling rose to \$2.2740 compared with an opening level of \$2.2520 as buying interest developed after Tuesday's sharp fall.

HULAN—The lira improved against sterling and the dollar but lost ground against EMS currencies. The U.S. unit was fixed at L191.95 against L182.7 on Tuesday and sterling fell sharply for the second day running to L184.2 from L187.7. The D-mark was quoted stronger at L448.32 against L447.70.

TOKYO—The dollar showed little change against the yen yesterday and closed at ¥216.975 compared with Tuesday's close of ¥216.575. Trading took place within a narrow range with a best point for the day of ¥217.00.

THE POUND SPOT AND FORWARD

Aug. 1	Day's spread	Close	One month	% Three months
U.S.	2.2450-2.2700	2.2700-2.2710	0.83-0.73c pm	4.12-1.85 pm
Canada	2.0240-2.0570	2.0500-2.0500	0.76-0.65c pm	2.25-1.40 pm
Belgium	4.50-4.57	4.56-4.57	2.1-1c pm	2.25-1.40 pm
Denmark	65.50-65.55	65.40-65.50	18-20c pm	2.25-1.40 pm
France	11.81-11.87	11.86-11.87	24-20c pm	1.25-1.40 pm
Germany	1.82-1.83	1.8255-1.8300	24-20c pm	1.25-1.40 pm
Italy	4.11-4.15	4.14-4.15	34-24c pm	1.25-1.40 pm
Portugal	109.80-111.40	111.05-111.35	40-10c pm	1.25-1.40 pm
Spain	168.00-169.20	168.00-169.20	300-300c pm	1.25-1.40 pm
Sweden	1.13-1.14	1.14-1.15	1.0-1.0c pm	1.25-1.40 pm
Switzerland	1.63-1.64	1.63-1.64	1.0-1.0c pm	1.25-1.40 pm
Japan	216.00-216.60	216.00-216.60	2.0-2.0c pm	1.25-1.40 pm
Austria	30.05-30.50	30.40-30.48	22-22c pm	1.25-1.40 pm
Switzerland	3.72-3.78	3.75-3.77	44-44c pm	1.25-1.40 pm

Belgian rate is for convertible francs. Financial time 83.50-80.00 pm. Six-month forward dollar 2.30-2.35, post-12-month 2.25-2.30 pm.

THE DOLLAR SPOT AND FORWARD

Aug. 1	Day's spread	Close	One month	% Three months
U.S.	2.2450-2.2700	2.2700-2.2710	0.83-0.73c pm	4.12-1.85 pm
Canada	2.0240-2.0570	2.0500-2.0500	0.76-0.65c pm	2.25-1.40 pm
Belgium	4.50-4.57	4.56-4.57	2.1-1c pm	2.25-1.40 pm
Denmark	65.50-65.55	65.40-65.50	18-20c pm	2.25-1.40 pm
France	11.81-11.87	11.86-11.87	24-20c pm	1.25-1.40 pm
Germany	1.82-1.83	1.8255-1.8300	24-20c pm	1.25-1.40 pm
Italy	4.11-4.15	4.14-4.15	34-24c pm	1.25-1.40 pm
Portugal	109.80-111.40	111.05-111.35	40-10c pm	1.25-1.40 pm
Spain	168.00-169.20	168.00-169.20	300-300c pm	1.25-1.40 pm
Sweden	1.13-1.14	1.14-1.15	1.0-1.0c pm	1.25-1.40 pm
Switzerland	1.63-1.64	1.63-1.64	1.0-1.0c pm	1.25-1.40 pm
Japan	216.00-216.60	216.00-216.60	2.0-2.0c pm	1.25-1.40 pm
Austria	30.05-30.50	30.40-30.48	22-22c pm	1.25-1.40 pm
Switzerland	3.72-3.78	3.75-3.77	44-44c pm	1.25-1.40 pm

Belgian rate is for convertible francs. Financial time 83.50-80.00 pm. Six-month forward dollar 2.30-2.35, post-12-month 2.25-2.30 pm.

CURRENCY RATES

July 31	Bank Rate	Special Drawing Rights	European Currency Unit	Aug. 1	Bank of England	Morgan	Index	Change
U.S.	1.4	0.570049	0.505696	1.4	78.4	78.4	—	—
Canada	1.1	0.505696	0.505696	1.1	84.4	84.4	—	—
Belgium	3.5	1.75811	1.75811	3.5	101.7	101.7	—	—
Denmark	9	25.1850	25.1850	9	114.1	114.1	—	—
France	6	2.25995	2.25995	6	151.6	151.6	—	—
Germany	5	2.25995	2.25995	5	195.7	195.7	—	—
Italy	10	1.06999	1.06999	10	59.0	59.0	—	—
Japan	1	216.975	216.975	1	133.0	133.0	—	—
Sweden	8	2.25995	2.25995	8	195.7	195.7	—	—
Switzerland	7	2.25995	2.25995	7	195.7	195.7	—	—
U.K.	1	2.25995	2.25995	1	195.7	195.7	—	—

U.K. Ireland and Canada are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

Other Markets: Argentina peso 1.00-1.00, Australia dollar 1.00-1.00, Brazil cruzeiro 1.00-1.00, Canadian dollar 1.00-1.00, Hong Kong dollar 1.00-1.00, Indian rupee 1.00-1.00, Israeli sheqel 1.00-1.00, Japanese yen 1.00-1.00, Korean won 1.00-1.00, Mexican peso 1.00-1.00, New Zealand dollar 1.00-1.00, Philippine peso 1.00-1.00, Singapore dollar 1.00-1.00, South African rand 1.00-1.00, Sri Lankan rupee 1.00-1.00, Thai baht 1.00-1.00, Turkish lira 1.00-1.00, West German mark 1.00-1.00, Yugoslav dinar 1.00-1.00.

EMS EUROPEAN CURRENCY UNIT RATES

Aug. 1	ECU	Central rates	% change from August 1	% change from central rate	% change from divergence	Divergence limit %
Belgium Franc	36.4882	40.3001	+1.25	+3.22	+1.97	±1.50
Denmark Kr.	7.4603	7.4603	0.00	0.00	0.00	±1.50
German Mark	2.25104	2.25104	0.00	0.00	0.00	±1.50
French Franc	6.55958	6.55958	0.00	0.00	0.00	±1.50
Dutch Guilder	2.20371	2.20371	0.00	0.00	0.00	±1.50
Irish Punt	0.787564	0.787564	0.00	0.00	0.00	±1.50
Italian Lira	1143.15	1143.15	0.00	0.00	0.00	±1.50

Changes are for ECU, therefore positive changes denote a strengthening. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

July 31	Pound Sterling	U.S. Dollar	Deutsche Mark	Japanese Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canadian Dollar	Belgian Franc
Pound Sterling	1.0000	2.271	4.185	480.8	9.693	5.765	1.938	1.361	2.640	66.46
U.S. Dollar	0.440	1.000	1.830	216.6	4.281	1.688	0.911	0.719	1.271	29.27
Deutsche Mark	0.241	0.545	1.000	118.1	2.233	0.906	1.099	0.447	0.940	21.90
Japanese Yen	2.038	4.627	8.487	1000	18.67	6.773	8.508	8798	1.971	185.4
French Franc 10	1.085	2.555	4.305	508.4	10	5.901	4.759	1955	2.735	68.24
Swiss Franc	0.266	0.505	1.104	150.5	2.594	1	1.318	494.3	0.708	17.99
Dutch Guilder	0.219	0.497	0.820	107.5	2.114	0.885	1	407.7	0.968	14.66
Italian Lira 1,000	0.857	1.220	2.355	265.7	0.187	0.238	0.353	1000	1.489	39.71
Canadian Dollar	0.378	0.854	1.568	184.8	6.629	4.115	1.715	699.8	1	24.99
Belgian Franc 100	0.505	2.417	4.255	788.6	14.58	6.066	6.870	8801	4.006	100

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.75-10.85 per cent; three months 10.80-10.90 per cent; six months 10.90-11.00 per cent; one year 10.90-11.00 per cent.

Aug. 1	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian 5	Japanese Yen
1 month	10.75-10.85	10.75-10.85	10.75-10.85	10.75-10.85	10.75-10.85	10.75-10.85	10.75-10.85	10.75-10.85	10.75-10.85	10.75-10.85
3 months	10.80-10.90	10.80-10.90	10.80-10.90	10.80-10.90	10.80-10.90	10.80-10.90	10.80-10.90	10.80-10.90	10.80-10.90	10.80-10.90
6 months	10.90-11.00	10.90-11.00	10.90-11.00	10.90-11.00	10.90-11.00	10.90-11.00	10.90-11.00	10.90-11.00	10.90-11.00	10.90-11.00
1 year	10.90-11.00	10.90-11.00	10.90-11.00	10.90-11.00	10.90-11.00	10.90-11.00	10.90-11.00	10.90-11.00	10.90-11.00	10.90-11.00

Long-term Eurodollar: two years 10.75-10.85 per cent; three years 10.75-10.85 per cent; four years 10.75-10.85 per cent; five years 10.75-10.85 per cent; six years 10.75-10.85 per cent; seven years 10.75-10.85 per cent; eight years 10.75-10.85 per cent; nine years 10.75-10.85 per cent; ten years 10.75-10.85 per cent.

INTERNATIONAL MONEY MARKET

European rates steady

Interest rates showed a much steadier tendency throughout Europe yesterday after sharp rises over the past few months. Pressure within the European Monetary system on the weaker members has eased considerably just recently, and interest rates have stabilised accordingly.

In Paris call money fell from 10 1/2 per cent to 10 per cent, its first downward shift for nearly two weeks. Longer term rates were also easier with one-month money at 10 1/2-10 3/4 per cent compared with 10 3/4-11 per cent, three-month at 10 1/2-10 3/4 per cent from 10 3/4-11 per cent, six-month at 10 1/2-10 3/4 per cent from 10 3/4-11 per cent and 12-month money at 10 1/2-10 3/4 per cent.

FRANKFURT—Interbank rates showed no clear trend yesterday with call money quoted at 6.20-6.30 per cent compared with 6.10-6.20 per cent on Tuesday and one-month money at 6.35-6.45 per cent against 6.40-6.50 per cent. The three-month rate was unchanged at 6.4-6.50 per cent.

Conditions in the Dutch money market were also subdued and rates in Amsterdam were quoted at 5 1/2-5 3/4 per cent for call money against 5 1/2 per cent, unchanged for one-month money. Three-month money stood at 9 1/2-9 3/4 per cent and the six-month rate fell to 9 1/2-9 3/4 per cent from 9 1/2-9 3/4 per cent.

FRANKFURT—Interbank rates showed no clear trend yesterday with call money quoted at 6.20-6.30 per cent compared with 6.10-6.20 per cent on Tuesday and one-month money at 6.35-6.45 per cent against 6.40-6.50 per cent. The three-month rate was unchanged at 6.4-6.50 per cent.

UK MONEY MARKET

Small assistance

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979).

Conditions in the London money market were fairly easy yesterday, and the authorities gave only a small amount of assistance. This comprised small purchases of Treasury bills and corporation bills, all direct from the discount houses. The market was faced with the repayment of Tuesday's small official advances.

Discount houses were paying up to 14 per cent in places for Treasury bills to finance. There was also a slight excess of revenue transfers to the Exchequer over Government C-burements. On the other hand, banks brought forward a balance a moderate way above target and there was a small decrease in the note circulation.

Rates in the table below are actual in some cases.

LONDON MONEY RATES

Aug. 1 1979	Starting Certificate of deposit	Interbank	Local Authority deposits	Local Authority negotiable bonds	Finance House deposits	Company deposits	Discount Treasury Bills	Eligible Treasury Bills	Five Year Trade Bills
Overnight	—	12-14 1/2	—	—	—	14 1/2	12-14	—	—
2 days notice	—	—	14 1/2	—	—	—	—	—	—
7 days or 7 days notice	—	14-14 1/2	14 1/2	14 1/2-14 3/4	14 1/2	14 1/2	14 1/2	14 1/2	14 1/2
One month	14 1/2-14 3/4	14 1/2-14 3/4	14 1/2	14 1/2-14 3/4	14 1/2	14 1/2	14 1/2	14 1/2	14 1/2
Two months	14 1/2-14 3/4	14 1/2-14 3/4	14 1/2	14 1/2-14 3/4	14 1/2	14 1/2	14 1/2	14 1/2	14 1/2
Three months	14 1/2-14 3/4	14 1/2-14 3/4	14 1/2	14 1/2-14 3/4	14 1/2	14 1/2	14 1/2	14 1/2	14 1/2
Six months	13 1/2-14 1/2	13 1/2-14 1/2	14	13 1/2-14 1/2	14 1/2	14 1/2	14 1/2	14 1/2	14 1/2
Nine months	13 1/2-14 1/2	13 1/2-14 1/2	14	13 1/2-14 1/2	14 1/2	14 1/2	14 1/2	14 1/2	14 1/2
One year	13 1/2-14 1/2	13 1/2-14 1/2	14	13 1/2-14 1/2	14 1/2	14 1/2	14 1/2	14 1/2	14 1/2
Two years	—	—	12 1/2-13 1/2	12 1/2-13 1/2	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days fixed. * Long-term local authority mortgage rates: one month 12 1/2-13 per cent; two months 12 1/2-13 per cent; three months 12 1/2-13 per cent; four months 12 1/2-13 per cent; five months 12 1/2-13 per cent; six months 12 1/2-13 per cent; seven months 12 1/2-13 per cent; eight months 12 1/2-13 per cent; nine months 12 1/2-13 per cent; ten months 12 1/2-13 per cent.

Finance House Base Rate (published by the Finance Houses Association) 14 per cent from August 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 11 1/2-12 per cent. Clearing Bank Rates for deposits 14 per cent. Treasury Bills: Average tender rates of discount 13.5488 per cent.

GOLD

Sharp fall

Gold fell sharply in the London bullion market yesterday as heavy speculative trading continued. By the close it had fallen 28 p from 229.25 to 229.00, the lowest closing level since July 13, and later on in New York it fell a further 53. The lower level kept in London as \$289.2894 as currency unrest in the foreign exchange market prompted heavy selling. In Paris the 12 1/2 kilo bar was

Aug. 1	July 31
Gold Bullion (fine ounce)	229.25
Close	229

Companies and Markets

WORLD STOCK MARKETS

Wall Street active but mixed at mid-session

INVESTMENT DOLLAR
The Dow Jones Industrial Average rose 7.86 points to 1,147.79, after a volatile session. The S&P 500 rose 1.14 points to 114.08. The NYSE volume was 1.1 billion shares. The market was active in the morning but mixed at mid-session. The Dow Jones Industrial Average rose 7.86 points to 1,147.79, after a volatile session. The S&P 500 rose 1.14 points to 114.08. The NYSE volume was 1.1 billion shares. The market was active in the morning but mixed at mid-session.

Canada
Stock prices continued to show a tendency to lower levels in the morning session. The Toronto 300 index slipped 1.6 points to 1,556.50 at noon. The market was active in the morning but mixed at mid-session. The Dow Jones Industrial Average rose 7.86 points to 1,147.79, after a volatile session. The S&P 500 rose 1.14 points to 114.08. The NYSE volume was 1.1 billion shares. The market was active in the morning but mixed at mid-session.

Tokyo
Market staged a fresh advance in the morning session, but later succumbed to profit-taking and activity with mixed movements on balance. Trading became very active, with about 640 million shares changing hands on the First Market section against 450 million on Tuesday. The Nikkei-Dow Jones Average was up modestly at the close with a net gain of 8.91 to 6,122.85. One dealer said trading volume increased because stock dealers and investors, expecting a good rise in the market this month, actively purchased stocks. Energy industry-related issues, Shipbuilding, Chemicals, Non-ferrous Metals and Trading Houses. Shipbuilding, which had advanced in recent sessions,

Germany
Stocks put on a good performance yesterday in lively trading, leaving the Commerzbank index 8.41 higher at 759.4. Dealers attributed the revived activity largely to an increase in new positions by large domestic institutional investors, particularly insurance companies and investment funds, with the market also buoyed by fairly strong demand from foreign buyers. Some dealers said that Tuesday's statement by a leading official of the German Industry and Trade Association that the West German economy was not likely

to slow down in 1980 had bolstered stock market sentiment. The spokesman was countering a forecast made recently by the prestigious IFO Research Institute predicting such a slowdown. The leading prices posted the largest price increases, led by Bayerische Vereinsbank, which advanced DM 4.40. Commerzbank and Bayerische Hypothekbank each gained DM 4.00. Dresdner Bank added DM 3.70 and Deutsche Bank DM 2.10. Stores and Machine Manufacturers also made solid gains. Among Machine issues, Linde climbed DM 3.80, KHD DM 2.10 and GHH DM 2.50. Neckermann Stores added with a gain of DM 6 after news that sales so far in 1979 had exceeded expectations. Among other Stores, Karstadt added DM 3.50 and Kaufhof DM 3.00. Public Authority Bonds gained up to 95 pfennigs more, led by this year's 7 1/2 per cent State Loan. The Bundesbank sold DM 82.4m of stock in open-market operations after DM 21.4m sales the previous day.

Hong Kong
After Tuesday's sharp setback on profit-taking, the market showed renewed strength yesterday as Blue Chips and Properties in particular attracted fresh local and some London demand. The Hang Seng index advanced 11.40 to 616.63. The Hongkong Land rose 35 cents to HK\$37.00. The HSBC rose HK\$2.75 to HK\$39.25 on further takeover speculation, while New World climbed 17.5 cents to HK\$12.675. Cheung Kong 30 cents to HK\$13.60, SSK Properties 10 cents to HK\$3.00 and Associated Banks 15 cents to HK\$3.25. HK Bank put on 20 cents to HK\$13.70, while Hutchison Whampoa, Jardine Matheson and Swire Pacific "A" hardened 10 cents apiece to HK\$4.40, HK\$12.30 and HK\$8.80 respectively.

Paris
Shares mainly steady in easier mood in slow trading, with the CAC 40 index ending at 1,147.79. The market was active in the morning but mixed at mid-session. The Dow Jones Industrial Average rose 7.86 points to 1,147.79, after a volatile session. The S&P 500 rose 1.14 points to 114.08. The NYSE volume was 1.1 billion shares. The market was active in the morning but mixed at mid-session.

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Table with 4 columns: Stock, July 31, July 30, July 29. Lists various stocks and their price movements.

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سوق المال

Indices

NEW YORK - DOW JONES

Table with 10 columns: Date, Index, High, Low, Close. Shows Dow Jones index data from July 30 to July 27.

STANDARD AND POORE

Table with 10 columns: Date, Index, High, Low, Close. Shows Standard & Poore index data from July 30 to July 27.

MONTEAL

Table with 10 columns: Date, Index, High, Low, Close. Shows Montreal index data from July 30 to July 27.

TUESDAY'S ACTIVE STOCKS

Table with 10 columns: Stock, Price, Change. Lists active stocks and their price changes.

OSLO

Table with 10 columns: Stock, Price, Change. Lists active stocks in Oslo and their price changes.

JOHANNESBURG

Table with 10 columns: Stock, Price, Change. Lists active stocks in Johannesburg and their price changes.

PARIS

Table with 10 columns: Stock, Price, Change. Lists active stocks in Paris and their price changes.

VIENNA

Table with 10 columns: Stock, Price, Change. Lists active stocks in Vienna and their price changes.

BRASIL

Table with 10 columns: Stock, Price, Change. Lists active stocks in Brazil and their price changes.

Martin Taylor on Rowntree's quest for growth on the Continent

Waving the big brand flag in Europe

MANY BRITISH companies with subsidiaries in France two years ago were wishing they could be rid of them. Severe price controls had squeezed profit margins at a time when costs were rising rapidly, and there was profound gloom about the future of the business community under a Socialist-Communist coalition, the success of which at the polls was taken almost as read. Rowntree Mackintosh chose this moment—July 1977—to increase its exposure to France by bidding for the Dijon firm of Chocolaterie Lanvin.

With hindsight the most astonishing thing about the deal is the price. Rowntree secured a new factory and a well-known brand name in chocolate assortments for less than £2m, a fair reward for its willingness to make a politically bold investment. After all, even Communists eat chocolates, and the Lanvin purchase was just the latest step in Rowntree's grand strategic plan: its quest for growth in continental Europe.

Rationale

The reasoning behind the group's push into Europe is simple. First, the European confectionery markets are relatively fragmented by comparison with their British or American equivalents, where frenetic competition between powerful multinationals is the rule. At the moment, for example, Rowntree is having to fight hard in the UK to hold the market share it managed to gain from Cadbury Schweppes with its launch of the Yorkie Bar. One percentage point of UK market share is an enormous achievement against the competition of Cadbury and Mars.

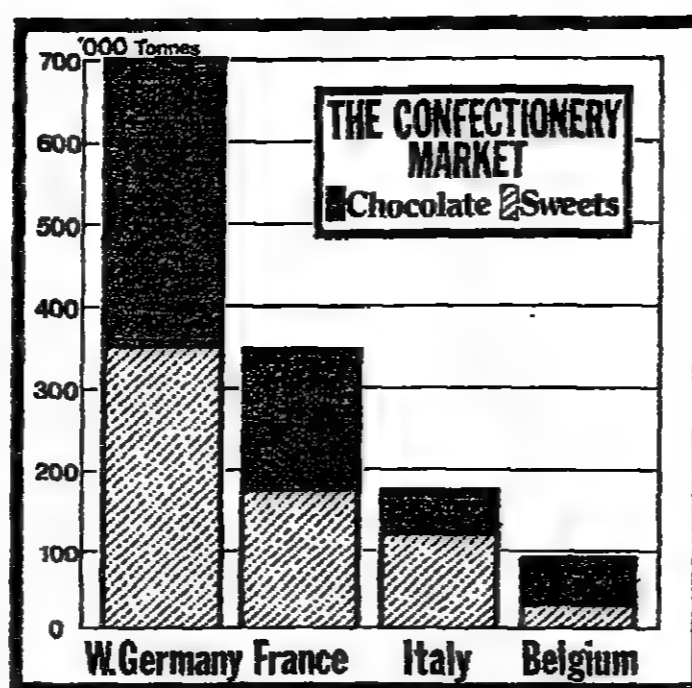
Secondly, there may be slightly more room for absolute growth in the European marketplace. More significantly, what growth there is at the moment is in the sectors in which Rowntree is traditionally strong—caramels and assortments. The French seem to be begin-

ning to think of chocolate confectionery in its own right rather than of something which is merely given to children in place of a meal when they come home from school. If anyone can take advantage of the idea, slowly dawning in France, that there is more to confectionery than sugared almonds, it should be Rowntree Mackintosh with its strong portfolio of countline brands.

That is not to say that RM makes no concessions to local tastes. The Smarties made at its Hamburg factory are not quite the same as English Smarties. But Rowntree is interested principally in selling its own brands—"we want to take internationally proven products into Europe and develop them," as Mr. Lindsay Mackinlay, the chairman of RM's European division, puts it: the group banks at invading the Dutch market for salted liquorice, The French, though, are being persuaded through the medium of After Eight to abandon their prejudice against eating chocolate and mint together.

Rowntree, as opposed to Mackintosh, had a minor presence in Europe as early as 1926. But it was only with the purchase of a majority stake in the Stockmann company in Hamburg in 1964 that the company began to direct its ambitions seriously. In the next few years local agencies were set up in Belgium and Italy and in the early 1970s the group, enlarged by the Mackintosh merger, began to buy French confectionery firms. Chocolat Menier in 1971 and Chocolat Tole in 1973. Menier has a factory astride the river Marne at Noisiel in which, astonishingly enough, a good proportion of the Yorkie Bars sold in England are currently produced—in itself a symbol of RM's international integration. Germany and France now make an approximately equal contribution to the division's sales.

The result has been that the sales of the European division have risen to £130m in 1978 from £3m in 1964. Between 1976 and 1978 volume sales of



the group's four major products, Kit Kat, Smarties, After Eight and Quality Street, rose by a quarter. Heavy investment is continuing: around £10m a year at present on fixed assets, notably a Quality Street plant at Dijon and a Rolo plant at Hamburg. As the overseas business grows, there is a large requirement for working capital. The net working capital of the group as a whole has risen by nearly £25m a year in the last two years and a fair proportion of this must be accounted for by the European operation. RM is unashamedly going for market share and its operating margins are held down by advertising and marketing costs—"a heavy programme over several years," Mr. Mackinlay considers that it would be wrong to try to take the available profits out of the European division at present: funds are being ploughed back in with the intention of building up a substantial and secure stream of earnings in a few years' time.

Just how many years is, of course, a vital question. It

would certainly be wrong to expect a major earnings contribution in the next two or three years, and it will certainly take longer before development is considered more or less complete. RM's balance sheet is enviably strong: at the end of 1978 net debt totalled only £22m against shareholders' funds of £216m. But in the last year there would have been an outflow of cash—£20m or so—but for the £36m rights issue, and there is no doubt that RM is prepared to increase its gearing in order to meet the requirements of the growing European division, where the cash-flow is unlikely to cover the cost of RM's development for some time.

The group's financial plans increasingly place on local borrowings. RM initially puts in its own funds to build up a manufacturing plant against which local money may be raised. The reliance on local banks has paid off—the Lanvin acquisition, for example, was drawn to Rowntree's attention by its French bankers. This

may partly reflect the desire to become a local company as much as to get assets and liabilities matched in the same currency. RM's advertising in Europe concentrates on pushing the brand, not the parent company's name. This follows the company's traditional approach in the UK, in so far as not all RM's final customers may be aware that Polo and Kit Kat come from the same stable, but here at least Rowntree Mackintosh is a household name.

The new launching activity is frenetic—Kit Kat in Holland, Rolo in Holland and Belgium, the Lion Bar in France. It is possible in time that locally developed brands may be sold in the UK in line with the policy of selling universal brands. There appear to be strange cycles in the invention of new confectionery products. In the 1930s Rowntree invented Black Magic, Kit Kat (then known as Chocolate Crisp), Aero, Dairy Box and Smarties within four years—a series of remarkably durable brands. On the Mackintosh side, Quality Street and Rolo date back to exactly the same period. One can only put it down to sun spots. Since the war, major new launches have been less frequent: until the Yorkie launch, in 1976, Rowntree's only important new products had been Polo and After Eight.

But what does it matter when you have brands good enough to go on and on, that people buy again and again without really noticing the price—what Mr. Mackinlay calls "sound repeat-purchase products." RM has already persuaded the Germans that After Eight is a product of enormous chic and status—it is surely worth spending a great deal of time, money and energy on persuading continental consumers to buy Kit Kats whenever they go to the tram stop. RM is setting out to establish a source of very durable earnings—a few years off, perhaps, but the operation seems to be running to plan.

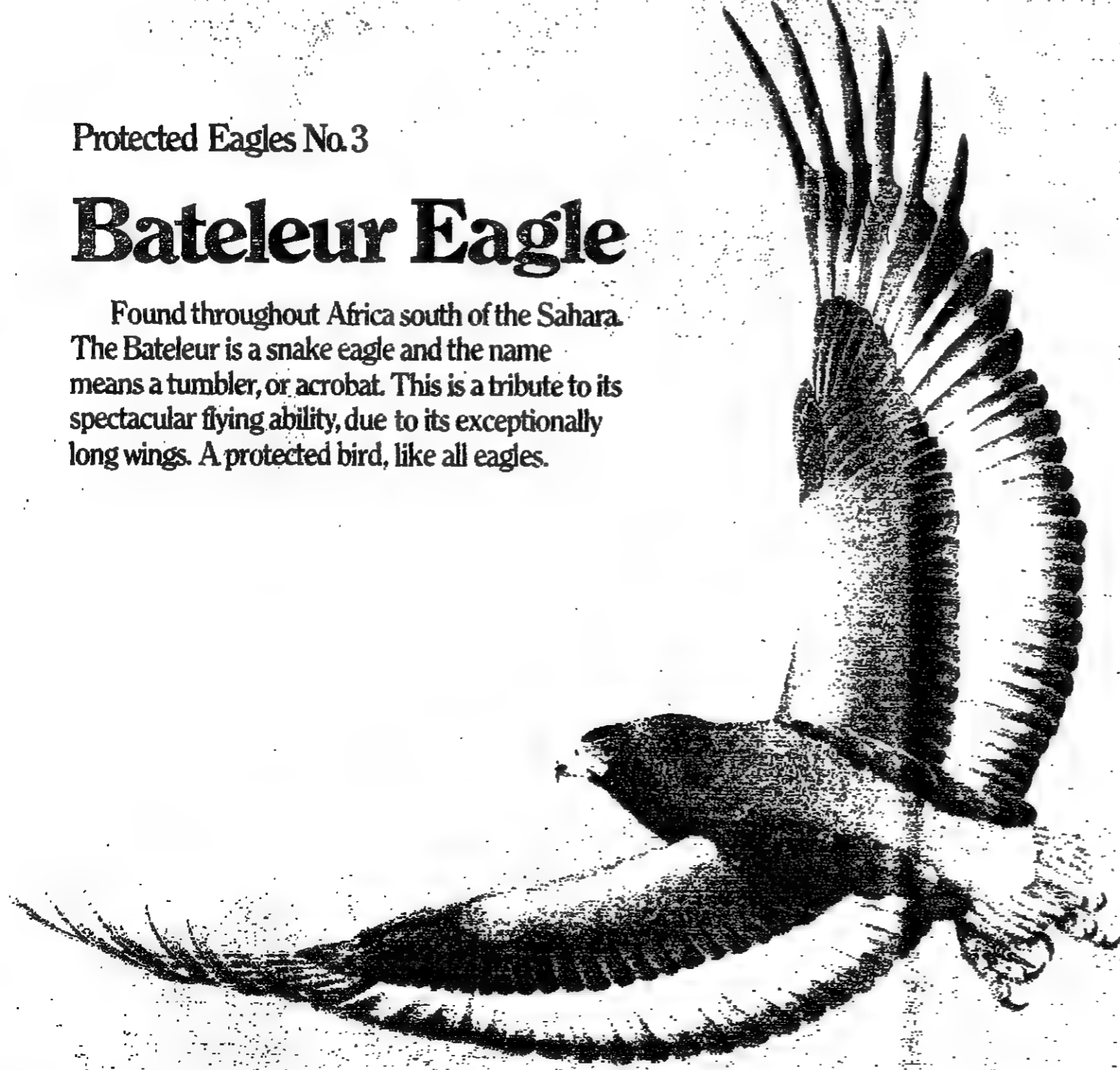
AUSTIN REED SUMMER SALE NOW ON

AUSTIN REED
of Regent Street

Protected Eagles No. 3

Bateleur Eagle

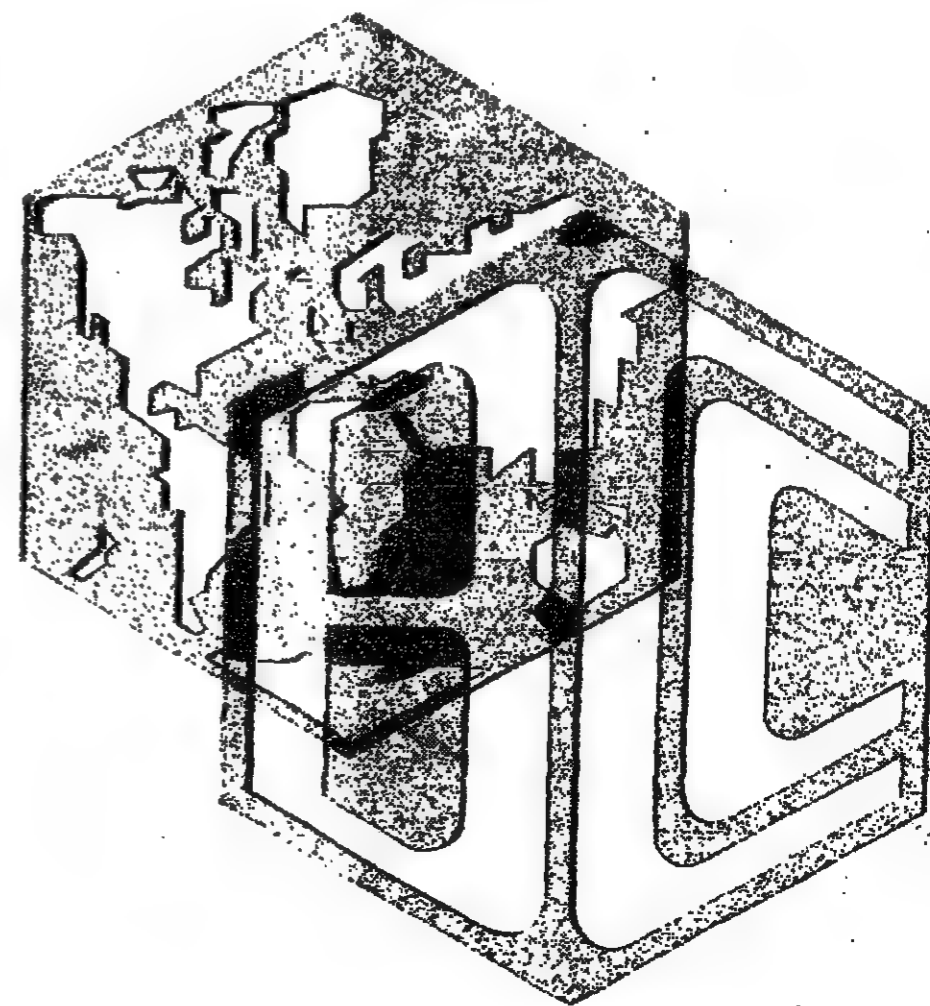
Found throughout Africa south of the Sahara. The Bateleur is a snake eagle and the name means a tumbler, or acrobat. This is a tribute to its spectacular flying ability, due to its exceptionally long wings. A protected bird, like all eagles.



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Markets and Commodity

Growers cut potato plantings

By Our Commodities Staff

GROWERS registered with the potato marketing board reduced potato plantings by about 7 per cent this year, provisional estimates show.

The total British potato area this year is put at 171,000 hectares, compared with 184,000 in 1978.

The greater reduction—13 per cent—was registered among growers of early varieties who were badly held up by the late spring. The maincrop area is down only 5 per cent at 171,000 hectares.

Among maincrop of "old" varieties, Pentland Crown is still the growers' favourite, with about 9,000 hectares to 19,000. Maris Piper, second favourite, is planted in 28,000 hectares, while the one-time market leader, King Edward, has lost a little more ground and now occupies only 13,500 hectares.

Heading egg producer closes down

By Christopher Parkes

ONE OF Britain's most prominent independent egg producers, Mr. John Chapman, filed a petition for bankruptcy yesterday afternoon.

Mr. Chapman, who farms near Ashby de la Zouch, Leicestershire, has closed his 20,000-layer unit and resigned from the chairmanship of the National Egg Producers' Association.

He joins a growing list of modest-scale egg producers who have fallen victim to the cut-throat conditions of the British market which has been disrupted by price-cutting and dumping of cheap eggs from the Continent.

The UK egg market has been generally over-supplied for more than two years, but some independent producers have been able to fall back on income from other farm enterprises.

Mr. Chapman has been a leading critic of the Imperial Tobacco group, which recently absorbed the Eastwood egg empire into its Rothmans-Nitro subsidiary.

Mr. Chapman's aggressive marketing tactics have led to a steady decline in sales, and he has been unable to secure a large proportion of the market.

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Compromise plan for cocoa pact

By RICHARD MOONEY

IN AN attempt to break the deadlock at the conference negotiating the International Cocoa Agreement in Geneva, now in its third week, Mr. Anthony Hill, the Jamaican chairman, yesterday proposed a new compromise buffer stock buying and selling price range.

But the gap between the price demands of producing and consuming country delegations remains wide.

Mr. Hill suggested a "ceiling" price of 180 cents a pound and a "floor" of 110 cents, slightly lower than the 168/112 cents compromise he proposed last week.

But the "floor" would still be well above the 100 cents level the U.S., the world's biggest cocoa consumer, is reported to have been demanding.

A lower figure, however, would almost certainly have been rejected by the producers, most of whom, according to delegates sources, were ready to accept the chairman's previous price proposal. A notable exception, they said, was the Ivory Coast, the world's biggest producer, which wanted a 120 cents floor.

Most consuming countries were prepared to accept a 155/100 cents range, the sources added.

Both sides have modified their

positions drastically since the last negotiating conference in February. Then producers were demanding a floor price of 180 cents and consumers 74 cents. At the beginning of the current session producers called for a 136 cents floor and consumers 100 cents.

These differences have been narrowed further but delegates are far from optimistic that the remaining gap can be closed during the current round of talks.

Before announcing his new proposal, Mr. Hill, who said at the beginning of the conference he was confident agreement would be reached within the allotted two weeks, described the situation as "touch and go."

African producer sources were more pessimistic. They said the chances of reaching agreement were slim.

The London futures market yesterday, cocoa prices lost ground following the sharp rise on Tuesday when sterling's weakness was the main influence.

The market was quiet in the morning but rose early in the afternoon when the December position climbed to \$1,490 a tonne. But there was little buying interest and December cocoa ended the day \$18 down at \$1,472 a tonne.

Central American cotton plantings are expected to equal or surpass the 1978-79 level, with the exception of Nicaragua and El Salvador.

ICAC estimated India's cotton output in 1978/80 at slightly below the record of over 6m bales in 1977/78, while Pakistan's production is projected at close to 3m bales, up from 2.25m.

The USSR crop this year has progressed well, and could easily reach 13m bales with continued favourable weather, ICAC said. In 1978/79 the Soviet total was 12.5 bales.

World cotton carryover at the end of the 1978/79 season is estimated at 22.5m bales, or 2.5m less than his beginning carryover.

Reuter

Chinese buying lifts sugar

By Our Commodities Editor

WORLD SUGAR prices rose yesterday following reports of sizeable purchases by the Chinese. The Australian Sugar Board confirmed it had sold 100,000 tonnes of raw sugar to China for delivery over the next few months.

French merchants, Syreco Denree, said it had sold EEC white sugar to China for immediate delivery. However, market sources thought the quantity involved was much lower than original market rumours that the Chinese had bought 100,000 tonnes.

The market was also boosted by buying tenders being held by Bangladesh, Syria and Venezuela.

Further encouragement came from the U.S. where the House of Representatives rules committee has finally cleared the way for the Sugar Bill to be considered by Congress. However, this is unlikely to be considered until after Congress returns from recess in early September.

The London daily price for raw sugar yesterday was raised by \$1 to \$24 a tonne. On the futures market, the December position closed \$1 higher at \$108.675 a tonne.

More zinc producers cut prices

By John Edwards

THE CUT in the European producer price for zinc, from \$845 to \$780 a tonne, was confirmed yesterday when it was followed by leading producers in Australia, Canada and Europe.

The move to the lower price level was initiated last week by European producers because of poor demand, but producers had held back until Tuesday when A.M. and S. Europe decided to cut its selling price.

In the U.S., National Zinc lowered its domestic zinc selling price by 2.50 cents to 37 cents a pound.

Meanwhile in Brussels, the Zinc Association, company Sozcom said it was not planning to change its world price of \$25 a pound. The denial forced market participants to believe that this year's production would be at least 2.5m tonnes.

World zinc carryover at the end of the 1978/79 season is estimated at 22.5m bales, or 2.5m less than his beginning carryover.

Reuter

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Firm on the London Metal Exchange. The initial rise in the early morning dip from 125.5 to 126.0 on the early morning dip, followed by a rise in the afternoon to 126.5 on the morning bar. Afternoon trading saw some more upward movement and the market closed at 126.5.

LEAD—Firm on the London Metal Exchange. The initial rise in the early morning dip from 125.5 to 126.0 on the early morning dip, followed by a rise in the afternoon to 126.5 on the morning bar. Afternoon trading saw some more upward movement and the market closed at 126.5.

WIRE—Firm on the London Metal Exchange. The initial rise in the early morning dip from 125.5 to 126.0 on the early morning dip, followed by a rise in the afternoon to 126.5 on the morning bar. Afternoon trading saw some more upward movement and the market closed at 126.5.

ALUMINIUM—Firm on the London Metal Exchange. The initial rise in the early morning dip from 125.5 to 126.0 on the early morning dip, followed by a rise in the afternoon to 126.5 on the morning bar. Afternoon trading saw some more upward movement and the market closed at 126.5.

IRON—Firm on the London Metal Exchange. The initial rise in the early morning dip from 125.5 to 126.0 on the early morning dip, followed by a rise in the afternoon to 126.5 on the morning bar. Afternoon trading saw some more upward movement and the market closed at 126.5.

STEEL—Firm on the London Metal Exchange. The initial rise in the early morning dip from 125.5 to 126.0 on the early morning dip, followed by a rise in the afternoon to 126.5 on the morning bar. Afternoon trading saw some more upward movement and the market closed at 126.5.

COAL—Firm on the London Metal Exchange. The initial rise in the early morning dip from 125.5 to 126.0 on the early morning dip, followed by a rise in the afternoon to 126.5 on the morning bar. Afternoon trading saw some more upward movement and the market closed at 126.5.

WHEAT—Firm on the London Metal Exchange. The initial rise in the early morning dip from 125.5 to 126.0 on the early morning dip, followed by a rise in the afternoon to 126.5 on the morning bar. Afternoon trading saw some more upward movement and the market closed at 126.5.

BARLEY—Firm on the London Metal Exchange. The initial rise in the early morning dip from 125.5 to 126.0 on the early morning dip, followed by a rise in the afternoon to 126.5 on the morning bar. Afternoon trading saw some more upward movement and the market closed at 126.5.

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Bigger world cotton crop is expected

WASHINGTON

World cotton production will show a moderate rise in 1978/80 from the 60.3m bales (478 lbs net) in 1977/78, according to the International Cotton Advisory Committee (ICAC).

The gain is expected to be modest, however, as production in Pakistan and the USSR is also expected to increase substantially.

ICAC noted that U.S. Agriculture Department's June acreage survey estimated cotton plantings at 18.9m acres, up more than four per cent from the previous season. It said U.S. cotton output is projected at between 12.2m and 14.9m bales, up from 10.8m in 1977/78.

Mexico's cotton output in 1978/80 will be slightly above the 1.6m bales produced in the current season, the committee

forecast.

Central American cotton plantings are expected to equal or surpass the 1978-79 level, with the exception of Nicaragua and El Salvador.

ICAC estimated India's cotton output in 1978/80 at slightly below the record of over 6m bales in 1977/78, while Pakistan's production is projected at close to 3m bales, up from 2.25m.

The USSR crop this year has progressed well, and could easily reach 13m bales with continued favourable weather, ICAC said. In 1978/79 the Soviet total was 12.5 bales.

World cotton carryover at the end of the 1978/79 season is estimated at 22.5m bales, or 2.5m less than his beginning carryover.

Reuter

Small farm unit sought

By Our Commodities Staff

THE NEWLY-FOUNDED Small Farmers' Association is canvassing the agricultural community for new members. Set up last month, the organisation already has 70 subscribers, mostly in the South West.

It is seeking more and hopes to be a "small" while an acreage of 100 acres or less is considered "small" by the government.

The association wants to stop the rapid decline in the number of small farm holdings in the UK, make the industry more accessible to newcomers, and press for policies which will prevent large farms from growing.

PIGS

THERE IS an old saying to the effect that pigs are either copper or gold—a reference to the pig cycle which existed long before the EEC was ever thought of. In fact, I have come across much the same description of them in several European countries.

The reason for the cycle is that the pig reproduces quickly. It takes a good farmer to increase their herd and then to dispose of the surplus.

Before the Common Market was formed each European country had its own pig cycle, which was coincidental with the others.

At the moment in Europe, prices are low in consequence of a surplus of pigs. In Britain, though, we appear to be temporarily at least on a fair upswing after a nadir of about four months. This is almost entirely due to the protection against imports of fresh pork, particularly from Holland.

The reason for this is to prevent the spread of swine fever, and this protection is likely to last until Christmas, when the situation is to be reviewed again. This protection is entirely on health grounds.

There is nothing in the Treaty of Rome which allows any government to prevent the importation of Community produce except on health grounds. But, of course, ways and means are found, and the most

An unhealthy outlook

By JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

notorious case is that used by France to prevent imports of British lamb.

As a pig-keeper myself, I am very conscious of the threat from Dutch and other sources while I believe that the present strains of British pigs are just as good as any on the Continent. I am very fearful of the marketing expertise of the Europeans, particularly the Dutch and Danes.

There is another most important factor. Like most of the larger British herd owners, I employ labour. The Europeans in general don't. The business is almost entirely in the hands of family farmers. At a time when margins are being squeezed the family unit waits for the next upward swing of the cycle in a way in which an employer of labour cannot do.

For that reason I believe that in a free-for-all, which could follow the removal of the present health regulations, British pig farmers could be very much at disadvantage. I don't think the Dutchman is any better at producing pigmeat than we are but I believe that by a manipulation of other markets he could sell competitively here at prices which would mean disaster for British producers if kept up for any length of time.

There is no open-ended guarantee in the Community for pigmeat as there is for milk and beef for instance.

Having a mixed farm I intend to ride out this possible attack as I have other falls in the pig cycle, bolstered by three factors

which I think are crucial. My buildings may be labour intensive but they were written off years ago. Their replacement would cost in interest and wages of the man I could save.

The feed is all farm-mixed: either from my own grain or purchased from neighbours. The gross saving on this is between £15 to £20 a tonne, as against proprietary compounds.

The compounder may mix more efficiently but the transport and handling costs inherent in buying compounds can be avoided by home mixing and there are no major items in the price differential.

I have a minimal disease herd. That does not mean that the pigs are never ill but that over the last 12 years I have not suffered a major calamity and have no signs of virus pneumonia which is one of the worst and most debilitating diseases pigs can suffer. My freedom from this disease up till now, and I would be the first to say that it is partly a matter of luck, has been due to a strict policy of never buying a pig from another herd.

I started the herd with stock from a minimal disease herd and for several years only bought boars from this and similar herds. Once the herd was established, I did not think the imported boars did any better than they should have done, and I noticed that there were unexplained minor illnesses which seemed to follow the introductions of fresh stock.

This is best explained by the fact that every pig herd will, in the end, produce its own

immunity, but would be vulnerable to other strains of the same infections.

For the last few years I have bought no boars and instead introduced new blood by artificial insemination. After some early teething troubles the system has been quite successful, and the performance and health of the pigs has been quite good. But health is a matter of perpetual vigilance.

And this quality will be essential if swine fever, which is endemic in Holland and several other countries, established more than its present foothold here. The disease causes severe loss among breeding pigs through abortion and is transmissible to cattle and dogs and cats as well, usually with fatal results.

The Minister of Agriculture has made the disease notifiable, but has so far resisted demands for a steeper policy on the grounds of expense. But the veterinary staff is looking into the possibility of vaccination as performed in Holland.

There is also a demand for a continuation of the ban on the importation of fresh pork, as opposed to bacon, from countries where the disease is known to exist as happen with foot and mouth disease and swine fever. In view of the speed with which pig diseases can multiply in areas of high concentration, precautionary moves to prevent this opening should be well in hand because the cost to the industry could be crippling if swine fever ever became really established here.

Reuter

USSR imports more soyabeans

WASHINGTON

Soybean shipments from the U.S. and Brazil to the Soviet Union during the first five months of this year totalled 851,000 tonnes, up sharply from the 549,000 tonnes for the same period last year, the U.S. Agriculture Department said here yesterday.

In its round-up of world production and trade developments, the USDA said June shipments from the USSR from the U.S. totalled 153,000 tonnes, including those shipments, known movements of soybeans to the USSR since January amounted to 1,087,000 tonnes.

Reuter

SOYABEAN MEAL

The London market opened slightly

higher, continuing yesterday's recovery in price. Light trade buying pushed prices higher but with stronger Sterling the market failed to hold and prices ended lower.

Yeast—Firm on the London Metal Exchange. The initial rise in the early morning dip from 125.5 to 126.0 on the early morning dip, followed by a rise in the afternoon to 126.5 on the morning bar. Afternoon trading saw some more upward movement and the market closed at 126.5.

WHEAT—Firm on the London Metal Exchange. The initial rise in the early morning dip from 125.5 to 126.0 on the early morning dip, followed by a rise in the afternoon to 126.5 on the morning bar. Afternoon trading saw some more upward movement and the market closed at 126.5.

BARLEY—Firm on the London Metal Exchange. The initial rise in the early morning dip from 125.5 to 126.0 on the early morning dip, followed by a rise in the afternoon to 126.5 on the morning bar. Afternoon trading saw some more upward movement and the market closed at 126.5.

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PRICE CHANGES

In tonnes unless otherwise stated

Aug. 1979

Aluminium—Firm on the London Metal Exchange. The initial rise in the early morning dip from 125.5 to 126.0 on the early morning dip, followed by a rise in the afternoon to 126.5 on the morning bar. Afternoon trading saw some more upward movement and the market closed at 126.5.

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BRITISH FUNDS

High Low Stock Price Div. Yield

“Shorts” (Lives up to Five Years)

High	Low	Stock	Price	Div.	Yield
98.1	97.5	British Treasury 30	98.1	3.05	3.12
98.1	97.5	British Treasury 30	98.1	3.05	3.12
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Five to Fifteen Years

High	Low	Stock	Price	Div.	Yield
98.1	97.5	British Treasury 30	98.1	3.05	3.12
98.1	97.5	British Treasury 30	98.1	3.05	3.12
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98.1	97.5	British Treasury 30	98.1	3.05	3.12
98.1	97.5	British Treasury 30	98.1	3.05	3.12
98.1	97.5	British Treasury 30	98.1	3.05	3.12

Over Fifteen Years

High	Low	Stock	Price	Div.	Yield
98.1	97.5	British Treasury 30	98.1	3.05	3.12
98.1	97.5	British Treasury 30	98.1	3.05	3.12
98.1	97.5	British Treasury 30	98.1	3.05	3.12
98.1	97.5	British Treasury 30	98.1	3.05	3.12
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98.1	97.5	British Treasury 30	98.1	3.05	3.12
98.1	97.5	British Treasury 30	98.1	3.05	3.12

Undated

International Bank

Corporation Loans

High	Low	Stock	Price	Div.	Yield
98.1	97.5	British Treasury 30	98.1	3.05	3.12
98.1	97.5	British Treasury 30	98.1	3.05	3.12
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98.1	97.5	British Treasury 30	98.1	3.05	3.12
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98.1	97.5	British Treasury 30	98.1	3.05	3.12
98.1	97.5	British Treasury 30	98.1	3.05	3.12
98.1	97.5	British Treasury 30	98.1	3.05	3.12

Commonwealth & African Loans

High	Low	Stock	Price	Div.	Yield
98.1	97.5	British Treasury 30	98.1	3.05	3.12
98.1	97.5	British Treasury 30	98.1	3.05	3.12
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98.1	97.5	British Treasury 30	98.1	3.05	3.12
98.1	97.5	British Treasury 30	98.1	3.05	3.12

Public Bond and Ind.

High	Low	Stock	Price	Div.	Yield
98.1	97.5	British Treasury 30	98.1	3.05	3.12
98.1	97.5	British Treasury 30	98.1	3.05	3.12
98.1	97.5	British Treasury 30	98.1	3.05	3.12
98.1	97.5	British Treasury 30	98.1	3.05	3.12
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Financial

High	Low	Stock	Price	Div.	Yield
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1979 High	Low	Stock	Price	Div.	Yield
1979	High	Low	Price <td>Div.<td>Yield</td></td>	Div. <td>Yield</td>	Yield
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1979	High	Low	Price <td>Div.<td>Yield</td></td>	Div. <td>Yield</td>	Yield
1979	High	Low	Price <td>Div.<td>Yield</td></td>	Div. <td>Yield</td>	Yield
1979	High	Low	Price		

U.S. \$ & DM prices exclude inv. \$ premium

AMERICANS

42	AMF 5% Conv. 67	162	162	84	50
43	Abbott Labs. 11	62	62	84	50
44	Academy 10	162	162	84	50
45	American Express 15	162	162	84	50
46	Amer. Med. Int. 15	162	162	84	50
47	Amgen 15	162	162	84	50
48	Baker Int'l Corp. 51	271	271	84	50
49	Barnes Corp. 36	271	271	84	50
50	Baxter 10	271	271	84	50
51	Bell Steel 58	11	11	51	60
52	Brown F. Corp. 10	656	656	84	50
53	Chemical Bank 10	271	271	84	50
54	Bearns & Co. 55	271	271	84	50
55	CBS 50	271	271	84	50
56	Caterpillar 10	271	271	84	50
57	Chase Nat'l 51.5	10	10	51	60
58	Chrysler 34	96	96	84	50
59	Cit. Ind. 11.25	96	96	84	50
60	Co. Gen. Pr. 85.1	271	271	84	50
61	Coil Ind. 51	271	271	84	50
62	Comco 18	17	17	51	60
63	Continental 10	271	271	84	50
64	Crown Zelli 55	18	18	51	60
65	Eaton Corp. 50.50	271	271	84	50
66	Eastman 10	271	271	84	50
67	Exxon 11	271	271	84	50
68	Firestone Tire 8	271	271	84	50
69	Fluor Corp. 10	271	271	84	50
70	Floor Corp. 10	271	271	84	50
71	Ford Motor 32	271	271	84	50
72	Gen. Elec. 32.1	271	271	84	50
73	Gillette 51	271	271	84	50
74	Glaxo 51.50	271	271	84	50
75	Hutton F.F. 10	271	271	84	50
76	I.B.M. Corp. 55	271	271	84	50
77	Int'l. 10	271	271	84	50
78	I. U. International 10	271	271	84	50
79	Kaiser Al. 51	271	271	84	50
80	Kaiser Ind. 51	271	271	84	50
81	Morgan J.P. US33.5	271	271	84	50
82	Norinac 51	271	271	84	50
83	Overseas 10	271	271	84	50
84	Overseas US55	271	271	84	50
85	Rehance 50.25	271	271	84	50
86	Rehance 50.25	271	271	84	50
87	Rehance 50.25	271	271	84	50
88	Richards 51.214	271	271	84	50
89	Sail (R.) 51	271	271	84	50
90	Shell Oil 51	271	271	84	50
91	Sherman 51	271	271	84	50
92	Spartan 50.50	271	271	84	50
93	TRW Inc. 51	271	271	84	50
94	U.S. Steel 51	271	271	84	50
95	U.S. Steel 51	271	271	84	50
96	U.S. Steel 51	271	271	84	50
97	U.S. Steel 51	271	271	84	50
98	U.S. Steel 51	271	271	84	50
99	U.S. Steel 51	271	271	84	50
100	U.S. Steel 51	271	271	84	50
101	U.S. Steel 51	271	271	84	50
102	U.S. Steel 51	271	271	84	50
103	U.S. Steel 51	271	271	84	50
104	U.S. Steel 51	271	271	84	50
105	U.S. Steel 51	271	271	84	50
106	U.S. Steel 51	271	271	84	50
107	U.S. Steel 51	271	271	84	50
108	U.S. Steel 51	271	271	84	50
109	U.S. Steel 51	271	271	84	50
110	U.S. Steel 51	271	271	84	50
111	U.S. Steel 51	271	271	84	50
112	U.S. Steel 51	271	271	84	50
113	U.S. Steel 51	271	271	84	50
114	U.S. Steel 51	271	271	84	50
115	U.S. Steel 51	271	271	84	50
116	U.S. Steel 51	271	271	84	50
117	U.S. Steel 51	271	271	84	50
118	U.S. Steel 51	271	271	84	50
119	U.S. Steel 51	271	271	84	50
120	U.S. Steel 51	271	271	84	50
121	U.S. Steel 51	271	271	84	50
122	U.S. Steel 51	271	271	84	50
123	U.S. Steel 51	271	271	84	50
124	U.S. Steel 51	271	271	84	50
125	U.S. Steel 51	271	271	84	50
126	U.S. Steel 51	271	271	84	50
127	U.S. Steel 51	271	271	84	50
128	U.S. Steel 51	271	271	84	50
129	U.S. Steel 51	271	271	84	50
130	U.S. Steel 51	271	271	84	50
131	U.S. Steel 51	271	271	84	50
132	U.S. Steel 51	271	271	84	50
133	U.S. Steel 51	271	271	84	50
134	U.S. Steel 51	271	271	84	50
135	U.S. Steel 51	271	271	84	50
136	U.S. Steel 51	271	271	84	50
137	U.S. Steel 51	271	271	84	50
138	U.S. Steel 51	271	271	84	50
139	U.S. Steel 51	271	271	84	50
140	U.S. Steel 51	271	271	84	50
141	U.S. Steel 51	271	271	84	50
142	U.S. Steel 51	271	271	84	50
143	U.S. Steel 51	271	271	84	50
144	U.S. Steel 51	271	271	84	50
145	U.S. Steel 51	271	271	84	50
146	U.S. Steel 51	271	271	84	50
147	U.S. Steel 51	271	271	84	50
148	U.S. Steel 51	271	271	84	50
149	U.S. Steel 51	271	271	84	50
150	U.S. Steel 51	271	271	84	50
151	U.S. Steel 51	271	271	84	50
152	U.S. Steel 51	271	271	84	50
153	U.S. Steel 51	271	271	84	50
154	U.S. Steel 51	271	271	84	50
155	U.S. Steel 51	271	271	84	50
156	U.S. Steel 51	271	271	84	50
157	U.S. Steel 51	271	271	84	50
158	U.S. Steel 51	271	271	84	50
159	U.S. Steel 51	271	271	84	50
160	U.S. Steel 51	271	271	84	50
161	U.S. Steel 51	271	271	84	50
162	U.S. Steel 51	271	271	84	50
163	U.S. Steel 51	271	271	84	50
164	U.S. Steel 51	271	271	84	50
165	U.S. Steel 51	271	271	84	50
166	U.S. Steel 51	271	271	84	50
167	U.S. Steel 51	271	271	84	50
168	U.S. Steel 51	271	271	84	50
169	U.S. Steel 51	271	271	84	50
170	U.S. Steel 51	271	271	84	50
171	U.S. Steel 51	271	271	84	50
172	U.S. Steel 51	271	271	84	50
173	U.S. Steel 51	271	271	84	50
174	U.S. Steel 51	271	271	84	50
175	U.S. Steel 51	271	271	84	50
176	U.S. Steel 51	271	271	84	50
177	U.S. Steel 51	271	271	84	50
178	U.S. Steel 51	271	271	84	50
179	U.S. Steel 51	271	271	84	50
180	U.S. Steel 51	271	271	84	50
181	U.S. Steel 51	271	271	84	50
182	U.S. Steel 51	271	271	84	50
183	U.S. Steel 51	271	271	84	50
184	U.S. Steel 51	271	271	84	50
185	U.S. Steel 51	271	271	84	50
186	U.S. Steel 51	271	271	84	50
187	U.S. Steel 51	271	271	84	50
188	U.S. Steel 51	271	271	84	50
189	U.S. Steel 51	271	271	84	50
190	U.S. Steel 51	271	271	84	50
191	U.S. Steel 51	271	271	84	50
192	U.S. Steel 51	271	271	84	50
193	U.S. Steel 51	271	271	84	50
194	U.S. Steel 51	271	271	84	50
195	U.S. Steel 51	271	271	84	50
196	U.S. Steel 51	271	271	84	50
197	U.S. Steel 51	271	271	84	50
198	U.S. Steel 51	271	271	84	50
199	U.S. Steel 51	271	271	84	50
200	U.S. Steel 51	271	271	84	50

S.E. List Premium 7% based on \$2.666 per £

Conversion factor 0.9203 10.9261

CANADIANS

3550	Brisciano	89 1/2	+10	\$2.60
3550	Can. Imp. Bk. S2	11 1/2	-	\$1.50
3550	Can. Imp. Bk. S2	11 1/2	-	\$1.50
3550	Can. Imp. Bk. S2	11 1/2	-	\$1.50
3550	Do. Apr. Deb. F100	22 1/2	-	\$1.50
3550	Guil Oil Can.	32 1/2	-	\$1.40
3550	Hawker S. Can. Il.	50 1/2	-	\$1.50
3550	Hoffmiller S2	10 1/2	-	\$1.50
3550	Hoffmiller S2	10 1/2	-	\$1.50
3550	Hud. B. Oil G. S2 1/2	24	-	\$1.60
3550	Imperial Oil	19 1/2	-	\$1.80
3550	Inco	92 1/2	-	\$1.50
3550	Man. S2	53 1/2	-	\$1.50
3550	Massey Ferguson	11 1/2	-	\$1.50
3550	Place Gas S1	12 1/2	-	\$1.50
3550	Rex Alson	12 1/2	-	\$1.50
3550	Royal Bank	12 1/2	-	\$1.50
3550	Seymour Co. C31	12 1/2	-	\$1.50
3550	Tr. Dom. Bk. S1	10 1/2	-	\$1.50
3550	Trans. Can. Pipe	87 1/2	-	\$1.10

S.E. List Premium 7% (based on \$2.00/bbl per £)

S.E. List Premium 7% based on \$2.666 per £

BANKS AND HIRE PURCHASE

1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
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1973	High	Low	Stock	Price	Div.	Yield
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1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock	Price	Div.	Yield
1973	High	Low	Stock			

S.E. List Premium 7% based on \$2.666 per £

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 Town

FINANCE, LAND—Continued

FINANCE, LAND - Continued

High	Low	Stock	Price	+/-	Div. Ret.	Yr.	Div. Ret.	Yr.	Div. Ret.
277	28	Lon. Euro. Corp.	31	1	1.1	3.9	5.1	1.1	3.9
278	63	Lon. Merchant	17	+3	1.1	3.9	5.1	1.1	3.9
279	225	Lon. Ship 10p	17	+3	1.1	3.9	5.1	1.1	3.9
280	94	Mojave Inds 10p	84	+2	1.1	3.9	5.1	1.1	3.9
281	10	Mort. (R.P.) Sp.	7	-1	1.1	3.9	5.1	1.1	3.9
282	134	Mort. (R.P.) Sp.	10	0	1.1	3.9	5.1	1.1	3.9
283	10	Moolooly (L)	78	0	1.1	3.9	5.1	1.1	3.9
284	10	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
285	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
286	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
287	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
288	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
289	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
290	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
291	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
292	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
293	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
294	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
295	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
296	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
297	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
298	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
299	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
300	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
301	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
302	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
303	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
304	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
305	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
306	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
307	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
308	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
309	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
310	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
311	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
312	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
313	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
314	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
315	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
316	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
317	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
318	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
319	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
320	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
321	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
322	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
323	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
324	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
325	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
326	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
327	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
328	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
329	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
330	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
331	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
332	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
333	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
334	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
335	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
336	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
337	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
338	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
339	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
340	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
341	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
342	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
343	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
344	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
345	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
346	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
347	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
348	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
349	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
350	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
351	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
352	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
353	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
354	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
355	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
356	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
357	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
358	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
359	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
360	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
361	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
362	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
363	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
364	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
365	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
366	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
367	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
368	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
369	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
370	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
371	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
372	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
373	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
374	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
375	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
376	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
377	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
378	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
379	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
380	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
381	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
382	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
383	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
384	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
385	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
386	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
387	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
388	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
389	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
390	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
391	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
392	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
393	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
394	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
395	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
396	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
397	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
398	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
399	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
400	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
401	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
402	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
403	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
404	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
405	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
406	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
407	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
408	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
409	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
410	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
411	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
412	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
413	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
414	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
415	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
416	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
417	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
418	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
419	19	N.I.C. Inds 10p	12	1	1.1	3.9	5.1	1.1	3.9
420	19								

[illegible]

P/E	
7.2	
7.3	
9.7	
44.1	
18.7	
7.8	
24.4	
10.7	
6.6	
6.8	

MINES—Continued
AUSTRALIAN

[illegible]

TINS						
47.0	30	23	Amal Nigam	27	2.81	1.314
47.4	295	235	Ayer Hitam S.M.I.	28	0.900	0.523
47.7	72	72	Berak Tin	10	4.0	1.9
48.0	160	160	Batu Tiga S.M.I.	13	8.1	3.15
48.3	160	160	Gevoer	53	1.71	1.01
48.6	230	230	Gongke & Lee 22 1/2	35	8.2	3.95
48.9	370	370	Hongkong	33	118.0	14.8
49.2	370	370	Indra	33	112.5	2.8
49.5	14	14	Jan 12 1/2	74	18.0	5.1
49.8	38	38	Jeram Inang S.M.I.	10	101.2	2.1
50.1	38	38	Killingtin S.M.I.	74	240	240
50.4	620	620	Malay Dredging S.M.I.	368	368	368
50.7	230	230	Meranti	368	368	368
51.0	62	62	Meranti	368	368	368
51.3	123	123	Petaling Tin	110	4.5	1.2
51.6	123	123	Petaling Tin	110	4.5	1.2
51.9	195	195	Popokan Tin	205	101.2	1.4
52.2	85	85	Saint Paul	71	12.0	3.5
52.5	85	85	Seah Creek	71	12.0	3.5
52.8	230	230	Seng Chuan S.M.I.	175	0.95	0.417
53.1	405	405	Sin Malay S.M.I.	101.9	1.012	1.012
53.4	405	405	Sin Malay S.M.I.	101.9	1.012	1.012
53.7	375	375	Supreme Con. S.M.I.	335	201.0	2.0
54.0	105	105	Tanjong H. Tin	95	7.5	8.71
54.3	115	115	Tanjong H. Tin	95	7.5	8.71
54.6	115	115	Tanjong H. Tin	95	7.5	8.71

COPPER									
111	56	Messina RO.50	68	.....	-	-	-	-	-
MISCELLANEOUS									
81	54	Bzrymin	60	.....	-	-	-	-	-
131	50	Sarna Mines 171p	111	.....	-	-	-	-	-
345	170	Cons. Murch. 10c	250	.....	-	-	-	-	-
410	190	Northgate 10c	320	+5	2030c	6	.....	.....	.....
362	226	R.T.Z.	.....	.....	11.5	27	6	.....	.....
51	18	Robert Mines	26	+2	.....	.....	.....	.....	.....

980	525	Time Expt. \$1	530	.....	-	-	-
GOLDS EX-\$ PREMIUM							
<p>Currency quotations for selected South African gold mining shares in U.S. dollars, including the investment dollar premium. These prices are available only to UK residents.</p>							
4.0	\$17.70	Buffels R1	\$13.70	1-1	G200C	\$ 17.70	4.1
3.2	\$17.90	East Drie R1	\$13.10	1-1	R015C	4.1	1-1
4.2	\$17.90	East Rand R1	\$25.00	-10	0101C	4.1	1-1
3.0	\$20.70	F. Geduld 50C	\$24.40	-10	0151C	2.4	1-1
4.2	\$18.50	Pres. Brand 50C	\$17	1-2	0190C	3.2	1-1
3.0	\$18.40	St. Helena R1	\$15.50	1-2	R0150C	1.4	1-1

NOTES			
Unless otherwise indicated, prices and net dividends are in pence and net dividends are 25p. Estimated price/earnings ratios and current are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/E's are calculated on the basis of net distribution; bracketed figures indicate 20 per cent			

cent, or more difference if calculated on "all" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent, and allow for loss of dividend distributions and capital gains. Securities with distributions other than sterling or U.S. currencies are quoted inclusive of the investment dollar premium.

A. Sterling denominated securities which include investment dollar premium.

* "Top" Stock.

High and Low marked thus have been adjusted to allow for rights issues for cash.

† Interim since increased or resumed.

‡ Interim since reduced, passed or deferred.

- 17 Tax-free to non-residents on application.
- 18 Figures or report awaited.
- 19 Undisturbed security.
- 20 Price at time of suspension.
- 21 Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividends or forecasts.
- 22 Merger bid or reorganisation in progress.
- 23 Not comparable.
- 24 Same interim; reduced final and/or reduced earnings indicated.
- 25 Forecast dividend; cover an earnings updated by latest interim statement.
- 26 Cover allows for conversion of shares not now ranking for dividends or ranking only for resuscitated dividend.
- 27 Cover does not allow for shares which may also rank for dividend as

* Excluding a final dividend declaration.
 † Regional price.
 ‡ No par value.
 § Tax free. ¶ Figures based on prospectus or other official estimate. † Annual dividend new word or payable on part of share. ‡ Dividend in cash. § Dividend in redemption yield. ¶ Flat price. † Annual dividend and yield. ‡ Assumed dividend yield after scrip issue. § Payment from capital sources. ¶ Kenya. † Interest higher than previous total. ‡ Rights issue pending. § Earnings based on preliminary figures. § Dividend and yield exclusive of special payment. † Indicated dividend: cover relates to previous dividend. ‡ Dividend and yield based on preliminary figures. § Dividends: cover based on previous year's earnings. ¶ Tax free up to 30p in the £. † Yield allows for currency clause. ‡ Dividend and yield

based on merger terms. *D* Dividend and yield include a special payment. *E* Cover does not apply to special payment. *F* Net dividend and yield. *G* Preference dividend passed or deferred. *H* Canadian. *I* Minimum. *J* Special dividend. *K* Special dividend. *L* Special dividend. *M* Special dividend estimates for 1979-80. *N* Assumed dividend and yield after pending stock and/or rights issue. *O* Dividend and yield based on prospectus or other official estimates for 1978-79. *P* Figures based on prospectus or other official estimates for 1978. *Q* Dividend and yield based on prospectus or other official estimates for 1979-80. *R* Dividend and yield based on prospectus or other official estimates for 1979-80. *S* Gross. *T* Figures assumed. *Z* Dividend total to date. *Y* Yield based on assumption Treasury Bill Rate unchanged until maturity of stock.

REGIONAL MARKETS

Alcany Inc 20p	26	Sindal (Wm.)	160
Bergam	24	IRISH	
Edgar-Wal. Ex. 50p	408	Conv. 4% 10/82	1963
Edgar-Wal. 20p	408	Int. 5% 54/79	570
Cr. & Rose 1/2	131 1/2	10/82	158
Dyson (R. A.)	26	+2 Alliance Gas	80
Elins & McHoy	19	Amstel	345
Fife Forge	50	Carroll (P.L.)	203
Fraser Pk. 36	19	Clarendon	100
Grain Ship. 1/2	295	Concrete Prod.	57
Guinness Brew	75	Helson (Hdgs.)	80

Worl. (1997-2000)	250	Inc. Corp.	210
I.O.N. Sim. 2.1	157	Irish Ropes	70
Peacocks (C.N.)	265	Scotch	40
Peel Mills	30	T.M.G.	180
Shell, Refrains	105	Umdare	81

+5

OPTIONS

3-month Call Rates

Industrials	1.0	26	Time Issues	30
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A. Brew.	9	Imps.	8	Unilever	55
BOC Int'l.	6	I.C.L.	55	U.D.T.	5
B.S.R.	7	INRA	5	Urd. Drapery	18
Babco ⁶	17	Xerox	5	Vickers	10
Barclays Bank	32	Ladbrokes	22	Woolworths	71
Beecham	52	Legal & Gen.	14		
Blue Circle	18	Le. Securities	25	Property	
Boots	25	Lloyds Bank	25	Brit. Land	71
British	38	Lyons	5	Cap. Commit.	5
B.A.T.	28	London Brk.	25	Law Socy	17
Brown (J.)	50	Luovo	8	MEPC	9
Burton A	25	Luzac Ind.	25	Peachey	13
Cadbury	7	"Mams"	18	Samuel Props.	14

[illegible]

A selection of Options traded is given on the London Stock Exchange Report page

